# पाठ्यक्रम के माध्यम से नारी समता एवं अधिकारों का शिक्षण

प्राथमिक स्तर के लिए शिक्षक-संदर्शिका

राष्ट्रीय शैक्षिक अनुसंधान और प्रशिक्षण परिषद
NATIONAL COUNCIL OF EDUCATIONAL RESEARCH AND TRAINING

## कार्य दल

प्रो० उषा नैय्यर

प्रो० सरोजिनी बिसारिया

डा० जनक दुग्गल

डा० राजरानी

डा० मंजु गुप्ता

श्रीमती मोहन स्वदेश

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*यह पुस्तिका डा० मंजु गुप्ता (रीडर) इन्दिरा गांधी राष्ट्रीय मुक्त विश्वविद्यालय, मैदान गढ़ी, नई दिल्ली को समर्पित की जाती है जिन्होंने न केवल इस से संबंधित कार्यशाला में भाग लिया अपितु इसकी संरचना में मुख्य भूमिका निभाई।*

# आमुख

भारतीय नारी के सापेक्ष यदि कुछ शब्द कहे जायें तो कहा जा सकता है कि भारतीय नारी ने बहुत उतार-चढ़ाव देखे हैं। इतिहास साक्षी है कि वैदिक काल में नारी को पुरुष के समान अधिकार प्राप्त थे, चाहे वे अधिकार शिक्षा प्राप्त करने में हों या किसी अन्य क्षेत्र में। नारियाँ/लड़कियाँ दर्शनशास्त्र, शिक्षा इत्यादि में भाग लेने में पूर्ण स्वतन्त्र थीं।

परन्तु समय ने करवट बदली उनकी स्थिति का ह्रास हुआ उनका स्तर गिरता गया। यहाँ तक कि शिक्षा में भी उनके साथ भेद-भाव बरता जाने लगा, पाठ्यक्रमों में, विषयों के चुनाव में भी उनकी आजादी समाप्त हो गई। शिक्षा शास्त्रियों के लिए एक लम्बे अर्से से यह चिन्ता का विषय है कि कैसे नारी को उसके शैक्षिक अधिकार वापिस दिलाए जाएं।

स्वतन्त्रता के पश्चात शिक्षा से संबंधित प्रायः सभी आयोगों एवं समितियों की सिफारिशों में शिक्षा के समान अवसरों की व्यवस्था करने पर बल दिया जाता रहा है। राष्ट्रीय शिक्षा नीति – 1986 में कहा गया है कि शिक्षा में लिंग–असमानता को दूर करने व नारी को सशक्त बनाने के लिए शिक्षा के समान अवसर प्रदान किए जाएँगे तथा शिक्षा द्वारा स्त्रियों के सम्मान व स्तर में वृद्धि की जाएगी। बालिकाओं को अध्ययन के लिए प्रोत्साहन दिया जाएगा तथा उनके विकास के लिए सक्रिय कार्यक्रम अपनाए जाएँगे। शिक्षा के अवसर में आने वाली बाधाओं को दूर करने व उन्हें आरम्भिक शिक्षा में बनाए रखने के लिए सर्वाधिक प्राथमिकता दी जाएगी।

इसे पूरा करने का तरीका यह है कि पाठ्यपुस्तकों में स्त्री-पुरुष में भेदभाव की रूढ़िगत नीति को समाप्त किया जाए। इसी बात को ध्यान में रखते हुए यह आवश्यक समझा गया कि शिक्षकों के लिए ऐसी सामग्री विकसित की जाए जिसके द्वारा पाठ्यपुस्तकों को पढ़ाते समय ऐसे उदाहरण प्रस्तुत करें जिससे बालिकाओं के प्रति भेदभावपूर्ण नीति समाप्त की जा सके।

प्रस्तुत शिक्षक संदर्शिका प्राथमिक स्तर के शिक्षकों के उपयोग के लिए बनाई गई है। इस संदर्शिका का उद्देश्य नारी समता व उसके अधिकारों का शिक्षण

पाठ्यक्रम के माध्यम से न्यूनतम अधिगम स्तर को ध्यान में रखते हुए किया गया है। न्यूनतम अधिगम स्तर के संप्रत्यय का स्पष्टीकारण देने के साथ-साथ कक्षा एक से पाँच के लिए निर्धारित भाषा, गणित एवं पर्यावरण अध्ययन विषयों से संबंधित क्रियाकलापों द्वारा शिक्षकों को यह सुझाने का प्रयास किया गया है कि वे कक्षा में किस तरह से लिंग-साम्य बना सकते हैं। कार्य दल ने इस बात का भी विशेष ध्यान रखा है कि शिक्षक संदर्शिका की भाषा प्राथमिक शिक्षकों द्वारा सरलता से समझी जा सके।

मैं आशा करता हूँ कि प्राथमिक स्तर के शिक्षक, शिक्षक-प्रशिक्षक एवं शैक्षिक प्रशासक-गण इस पुस्तिका को अपने लिए व नारी समानता के लिए रुचिकर पाएँगे। पुस्तिका में और अधिक सुधार लाने के लिए सुझावों एवं विचारों का स्वागत है। सुविज्ञ पाठकों एवं शिक्षकों के सुझावों पर गम्भीरता पूर्वक विचार किया जाएगा तथा वर्तमान पुस्तिका के आगामी संस्करण में संशोधन करते समय आभार प्रकट किया जाएगा।

**अशोक कुमार शर्मा**
*निदेशक*
*राष्ट्रीय शैक्षिक अनुसंधान और प्रशिक्षण परिषद्*

# प्रस्तावना

## *I. संदर्शिका निर्माण की सार्थकता*

विभिन्न प्रकार के शोध यह सिद्ध करते हैं कि आमतौर पर बालिकाओं के साथ उस प्रकार का व्यवहार नहीं किया जाता, जैसा उनके समवयस्क बालकों के साथ किया जाता है और यह स्थिति आज पूरे समाज में व्याप्त है। इस प्रकार का विभेद ( विशेष रूप से सामाजिक एवं शैक्षिक स्तर पर) बालिकाओं के समुचित विकास तथा उनकी कार्यक्षमता में बाधक होता है। अतः इस परिस्थिति में बालिकाएँ राष्ट्र के विकास में पूर्ण योगदान नहीं दे पातीं। इस प्रकार यह स्थिति मानवीय संसाधनों को एक बड़े पैमाने पर निरर्थक सिद्ध कर देती है।

एक पुरानी कहावत है "ज्ञान ही शक्ति है"। अतः शिक्षा को सदैव सामाजिक स्थिति को बदलने में एक महत्वपूर्ण 'साधन' माना गया है। शिक्षा प्रदान करने वाले शिक्षक उभरती पीढ़ियों के जीवन-दर्शन तथा व्यक्तित्व को बदलने में महत्वपूर्ण भूमिका निभाते हैं। वे बहुत कुशलता से उन्हें सही दिशा की ओर मोड़ सकते हैं। इस पक्ष के महत्व को जानने के बाद राष्ट्रीय शिक्षा नीति – 1986 ने इस बात पर विशेष बल दिया कि नारी की स्थिति में मूलभूत परिवर्तन लाने में शिक्षा मुख्य भूमिका निभाएगी। समाज में व्याप्त कमियों को समाप्त करने के लिए आवश्यक होगा कि नारी के पक्ष में सोचना प्रारंभ किया जाए। राष्ट्रीय शिक्षा नीति पुनर्निमित पाठ्यक्रमों, पाठ्यपुस्तकों, शिक्षण-प्रशिक्षण कार्यक्रमों, निर्णायकों, प्रशासकों तथा शैक्षिक संस्थाओं की सक्रिय सहभागिता के नवीन मूल्यों के विकास का पोषण करेगी।

राष्ट्रीय शिक्षा नीति –1986 की सिफ़ारिशों के कार्यांवयन के लिए नारी अधिकारों एवं उन्नयन के लिए कार्य योजना –1992 द्वारा निम्नलिखित बिंदुओं पर विचार किया गया।

- नारी में आत्मविश्वास एवं आत्मनिर्भरता की भावना का विकास करना।
- सामाजिक, आर्थिक एवं राष्ट्रीय विकास में नारी के योगदान की सही छवि प्रस्तुत करना।
- उनमें तार्किक दृष्टि से सोचने की क्षमता का विकास करना।
- उनमें निर्णय लेने की क्षमता का पोषण करना तथा मिलजुलकर कार्य करने की क्षमता प्रदान करना।

-- शिक्षा, व्यवसाय तथा स्वास्थ्य ( विशेष रूप से जनन संबंधी) के क्षेत्र में नारी को सही विकल्प प्रदान करना।
-- विकासात्मक प्रक्रियाओं में बालिकाओं को समान प्रतिभागिता के अवसर प्रदान करना।
-- आर्थिक रूप से आत्मनिर्भर बनाने के लिए सूचना एवं ज्ञान प्रदान करना।
— कानूनी शिक्षा तथा सूचना प्रदान करना, जो उन्हें उनके सामाजिक अधिकारों के प्रति जागरूक करें तथा वे सभी क्षेत्रों में कदम से कदम मिलाकर चल सकें।

स्कूली स्तर पर उपर्युक्त बिंदुओं की प्राप्ति के लिए कार्य योजना—1992 में यह कहा गया है कि

*"सभी शिक्षकों तथा शैक्षिक निर्देशकों को*
*नारी अधिकारों तथा उन्नयन के लिए प्रेरक*
*के रूप में प्रशिक्षित किया जाएगा।" (पृ० 3)*

इस उद्देश्य की पूर्ति के लिए राष्ट्रीय शैक्षिक अनुसंधान और प्रशिक्षण परिषद् के महिला अध्ययन विभाग ने प्राथमिक स्तर के शिक्षकों के लिए एक संदर्शिका बनाने का निर्णय लिया, जो पाठ्यक्रम के माध्यम से बालिकाओं के उन्नयन में उनकी सहायता करे। यह संभावना की जाती है कि बालिकाओं का उन्नयन तथा इनसे संबंधित मूल्यों का प्रतिबिंबन विद्यालय के अध्ययन अध्यापन की प्रक्रिया लिंग समानता की दिशा में महत्वपूर्ण योगदान देगी। ये मूल्य कई कार्यशालाओं में विकसित किए गए जिन्हें राष्ट्रीय शैक्षिक अनुसंधान और प्रशिक्षण परिषद्, नई दिल्ली तथा ए. एन. एस. समाज शास्त्र संस्था, पटना के संयुक्त तत्वाधान में राष्ट्रीय संगोष्ठी के अंतर्गत अंतिम रूप प्रदान किया गया।

### *II. संदर्शिका निर्माण से संबंधित कुछ प्रमुख बातें*

सन् 1981 में राष्ट्रीय शैक्षिक अनुसंधान और प्रशिक्षण परिषद्, नई दिल्ली के महिला अध्ययन विभाग ने 'पाठ्यक्रम के माध्यम से नारी की स्थिति' संदर्शिका का निर्माण किया। यह संदर्शिका प्राइमरी स्तर के शिक्षकों के लिए बनाई गई थी और यह राष्ट्रीय शैक्षिक अनुसंधान और प्रशिक्षण परिषद् के पाठ्यक्रम की रूपरेखा तथा निर्धारित मूल्यों के आधार पर निर्मित की गई थी, जो कि नारी की स्थिति को उजागर करते थे।

राष्ट्रीय शैक्षिक अनुसंधान और प्रशिक्षण परिषद् के इस पाठ्यक्रम की रूपरेखा को तब से लेकर आज तक संशोधित किया जाता रहा है तथा प्राथमिक स्तर पर (I-V) न्यूनतम अधिगम स्तर के सोपान निर्धारित किए गए हैं। ये बिंदु पाठ्यक्रम में प्रतिबिंबित होने आवश्यक हैं :

1. भारतीय स्वतंत्रता संग्राम का इतिहास
2. *संविधान में निर्दिष्ट दायित्व*
3. राष्ट्रीय एकता के अन्य पोषक तत्व
4. भारत की साझी सांस्कृतिक विरासत
5. समता, जनतंत्र तथा धर्म निरपेक्षता
6. नारी-पुरुष की समानता
7. पर्यावरण अनुरक्षण
8. सामाजिक बाधाओं का निराकरण
9. छोटे परिवार की मान्यता का निर्वाह
10. वैज्ञानिक दृष्टिकोण का विकास

प्रत्येक शिक्षक से यह अपेक्षा की जाती है कि वे पाठ्यक्रम के इन बिंदुओं को ध्यान में रखकर इन्हें पढ़ाने का प्रयास करें।

### *III. संदर्शिका निर्माण*

संदर्शिका के प्रारूप का निर्माण राष्ट्रीय शैक्षिक अनुसंधान और प्रशिक्षण परिषद् के महिला अध्ययन विभाग द्वारा जनवरी 1993 में तैयार किया गया। इस संदर्शिका को बनाते समय राष्ट्रीय आवश्यकताओं से प्रेरित केंद्रिक शिक्षाक्रम के रूप में सुझाए गए मूल्य, न्यूनतम अधिगम स्तर पर नारी उन्नयन के मानदंड विशेष रूप से नारी की स्थिति को उजागर करने वाले निर्धारित मूल्यों का ध्यान रखा गया। मूल्यों तथा नारी उन्नयन के मानदण्डों को न्यूनतम अधिगम स्तर के कौशलों तथा 'दस वर्षीय विद्यालयों के लिए पाठ्यक्रम–एक रूपरेखा' (राष्ट्रीय शैक्षिक अनुसंधान और प्रशिक्षण परिषद् 1975) से जोड़ने की कोशिश की गई।

इनसे जुड़े विद्यालयी क्रियाकलापों को ही कौशल के साथ जोड़ा गया। मात्र उन्हीं क्रियाकलापों को सुझाया गया जो शिक्षार्थियों में लिंग-समानता का भाव पैदा करने लगे तथा शिक्षक को इस बात के लिए प्रेरित कर सके कि वे विद्यालयीन परिवेश में अपने कौशल का प्रदर्शन कर सकें। लिंग-समानता की भावना पैदा करने में समुदाय का योगदान भी आवश्यक है, अतः प्राथमिक स्तर के अध्यापकों के लिए समुदायपरक गतिविधियों का भी उल्लेख किया गया। समुदाय को प्रेरित करने वाले ऐसे ही अन्य क्रियाकलापों को भी इस संदर्शिका में रखा गया है।

फरवरी 1993 में अनुभव प्राप्त शिक्षकों तथा विशेषज्ञों की एक कार्यशाला आयोजित की गई। उनसे प्रस्तावित रूपरेखा पर अपने अनुभव, ज्ञान तथा विशेषज्ञता के आधार पर पुनः विचार करने तथा उसमें अपेक्षित सुधार करने को कहा गया। संदर्शिका को अन्तिम रूप देने से पहले उनके सभी सुझावों का समावेश इस पुस्तक में किया गया है।

### *IV. संदर्शिका के प्रमुख क्षेत्र*

इस संदर्शिका में जिन क्षेत्रों का समावेश किया गया है, उनमें भाषा अधिगम, गणित, पर्यावरण अध्ययन, स्वास्थ्य एवं शारीरिक शिक्षा, कला शिक्षा तथा कार्यानुभव हैं।

इस पुस्तिका की संरचना में उन सभी प्रतिभागियों का योगदान सम्मिलित है जिन्होंने, इस विभाग द्वारा फरवरी, 1993 में आयोजित एक राष्ट्रीय स्तर कार्यशाला में भाग लिया। हम उनका आभार प्रकट करते हैं। प्रतिभागियों की सूची परिशिष्ट में दी गई है।

यह पुस्तिका "शिक्षा द्वारा महिला समानता व सक्षमता" जो राष्ट्रीय शिक्षा नीति -- 1986 का आवाहन है, की ओर एक लघु पत्र है। आशा है कि यह शिक्षकों को बालिका शिक्षा में अपनी अंतरंग भूमिका निभाने में सहायता करेगी। सुझावों की प्रतीक्षा है।

**उषा नैय्यर**
*विभागाध्यक्षा*
*महिला अध्ययन विभाग*
*राष्ट्रीय शैक्षिक अनुसंधान और प्रशिक्षण परिषद*

# अनुक्रमणिका

# गणित (कक्षा I - V)

**भूमिका**

प्राथमिक स्तर पर गणित शिक्षण का एक महत्वपूर्ण उद्देश्य यह है कि बच्चे शीघ्र तथा सही रूप से अंकीय तथा स्थानिक समस्याओं को हल कर सकें, जिनका उन्हें घर, विद्यालय तथा समुदाय में सामना करना पड़ता है। प्राथमिक स्तर पर गणित का उद्देश्य बच्चों में अपने मौलिक तथा तात्कालिक परिवेश से प्राप्त अनुभवों को आधारभूत गणित की संकल्पनाओं की समझ के विकास में सहायक बनना है। इसका लक्ष्य शिक्षार्थियों के स्थूल से सूक्ष्म तथा सामान्य से विशिष्ट की ओर ले जाकर उनकी समझ को विकसित करना है। प्राथमिक स्तर पर गणित पाठ्यक्रम का उद्देश्य विभिन्न प्रकार की क्षमताओं का विकास करना होना चाहिए। जैसे शीघ्र तथा सही रूप से गणना करने की योग्यता का विकास करना, गणित की शैली में मौलिक कथनों को समुचित चिन्ह का प्रयोग करते हुए तथा रेखचित्रों के रूप में रूपान्तरित करना; यथासंभव सही मापों का अनुमान लगाने एवं आकलन करने की योग्यता का विकास करना; दैनिक जीवन की सामान्य समस्याओं को हल करने में गणित की संकल्पनाओं तथा कौशलों का प्रयोग करना; क्रम एवं आकार को तार्किक ढंग से सोचना तथा पहचानना।

प्राथमिक स्तर पर गणित शिक्षण के प्रमुख उद्देश्य का विवरण नीचे दिया जा रहा है। इनका चयन बालक तथा बालिकाओं में लिंग-समानता की भावना विकसित करने के उद्देश्य से किया गया है।

**उद्देश्य**

1. परिवार के स्तर पर किए जाने वाले कार्यों को इस रूप में प्रदर्शित करना, जिसमें परिवार के सभी लोगों की प्रतिभागिता दिखाई दे।
2. जीवन के सभी क्षेत्रों में समय, श्रम तथा क्षमता की गणना को दिखाते हुए हर काम के महत्व को प्रदर्शित करना।

शिक्षक तथा शिक्षार्थी इस प्रकार के विशेषणों का प्रयोग न करें जो लिंग असमानता को घटित करते हों। जैसे

- ताकतवर पुरुष
- कमजोर महिला, आदि।

उच्चारण

पढ़ने के लिए पाठ्यसामग्री देते समय शिक्षक इस बात का विशेष ध्यान रखें कि जो सामग्री दी जा रही है वह बालक तथा बालिकाओं के अनुभव जगत से ली गई हो तथा उसमें परम्परा से हटकर बालिकाओं की भूमिका प्रदर्शित की गई हो। कक्षा में पाठ के वाचन के लिए बालिकाओं को समान अवसर प्रदान किए जाएँ।

# भाषा (कक्षा III)

| *दक्षताएँ* | *विद्यालय में किए जाने वाले क्रियाकलाप* |
|---|---|
| सुनना | शिक्षक कक्षा में निर्देश देते समय लिंग असमानता को दिखाने वाले विशेषणों (महान पुरुष, अबला नारी) का प्रयोग न करें। जितना संभव हो सके, बालिकाओं को दैनिक जीवन के परिवेश में साहसी, चतुर, आत्मविश्वासी तथा आत्मनिर्भर प्रदर्शित करने पर बल दें। इस बात का भी महत्व उजागर किया जाए कि विभिन्न परीक्षाओं में बालिकाएँ उच्च उपलब्धियाँ प्राप्त करती हैं। |
| पढ़ना | लिंग भेद को दिखाए बिना महिला तथा पुरुष के विभिन्न क्रियाकलापों को पाठ्यसामग्री के द्वारा प्रदर्शित किया जाए। |
| बोलना<br>स्वरों के उचित उतार-चढ़ाव तथा हाव-भाव के साथ सरल कहानियों को सुनना | कक्षा में कहानी सुनाते समय शिक्षक इस बात का ध्यान रखें कि बच्चे उस कहानी के माध्यम से बालिकाओं का सही चित्र प्रस्तुत करें। कहानी के अंतर्गत महिला चरित्रों का तिरस्कृत रूप प्रदर्शित न किया जाए। |
| | शिक्षक बालक तथा बालिकाओं – दोनों को उनके दैनिक जीवन के संदर्भों से जुड़ी कहानियों को उचित हाव-भाव तथा स्वरों के उतार-चढ़ाव के साथ प्रस्तुत करने को कहें। |
| | शिक्षक इस भावना का निराकरण करें कि केवल बालक ही आत्मविश्वास के साथ कठिन प्रश्नों के उत्तर दे सकते हैं। |

बालिकाओं को भी कठिन प्रश्नों के उत्तर देने के लिए प्रोत्साहित करें। यह बात बालिकाओं में आत्मविश्वास पैदा करेगी। प्रश्न पूछने के लिए भी बालिकाओं को प्रोत्साहित किया जाए। कक्षा में तथा शिक्षक की उपस्थिति में बालिकाएँ न तो झिझकें और न ही तर्क करें — इस बात के लिए भी उन्हें प्रेरित किया जाए।

लिखना

बालक तथा बालिकाओं को मौलिक लेखन के प्रति उत्साहित किया जाए। उन्हें विभिन्न क्षेत्रों में नारी की उपलब्धियों को दिखाते हुए निबंध लिखने के लिए भी प्रेरित किया जाए।

भाषा प्रयोग

शिक्षक कक्षा में किसी विषय पर चर्चा करवाने के लिए उसकी स्वयं भूमिका बनाएँ तथा बालकों के साथ बालिकाओं को भी उसमें भाग लेने के लिए प्रेरित करें। जो बालिकाएँ इस प्रकार की चर्चाओं में स्वयं भाग लें, उनकी शिक्षक प्रशंसा करें।

समूह में बोलते समय बालक तथा बालिकाएँ क्रमवार ही बोलें। शिक्षक इस बात का ध्यान रखें कि वे बालिकाएँ इस प्रक्रिया में पीछे न रहें तथा वे भाषा अधिगम प्रक्रिया में समान रूप से सहभागिता करें।

# भाषा (कक्षा IV तथा V)

| *दक्षताएँ* | *विद्यालय में किए जाने वाले क्रियाकलाप* |
|---|---|
| सुनना | बालक तथा बालिकाओं को इस बात के लिए उत्साहित करना जिससे उनमें तर्कशक्ति का विकास हो सके तथा किसी भी विषय पर वे अपनी राय बना सकें। |
| बोलना | विद्यालय में शैक्षिक सामग्री किसी प्रकार के लिंग-भेद को न उभारे। वाचन के लिए उन्हीं अंशों को प्राथमिकता दी जाए जहाँ बालक तथा बालिकाओं की समान प्रतिभागिता को दिखाया गया हो, जिनसे उन्हें उपलब्धि प्राप्त हो सके। |
| | वाचन के अंश इस प्रकार के हों, जो जीवन के ही संदर्भ में बालक तथा बालिकाओं के आपसी सहयोग को प्रदर्शित करें। |

## (कक्षा III के समान)

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| पढ़ना | शिक्षक इस बात का ध्यान रखें कि शिक्षार्थी ऐसी कहानियाँ, कॉमिक्स आदि पढ़ें, जो बालक तथा बालिकाओं में भेद न दिखाए। कविताएँ, कहानियाँ तथा वाचन के अंश परम्परा से हटकर चलने वाली नारी की भूमिकाओं को उदघटित करें। जैसे पुलिस अफसर, सेना के पदाधिकारी तथा न्यायाधीश के समक्ष नारी की भूमिकाओं का आदर्श प्रस्तुत कर सकें तथा बालकों में भी |

| | |
|---|---|
| | बालिकाओं को इन रूपों में स्वीकार करने की आदत डाल सकें। |
| लिखना | निबंध, अनुच्छेद, कहानी आदि लिखवाने के लिए शिक्षक द्वारा जिन विषयों का चुनाव किया जाए तथा उनके लिए जो निर्देश किए जाएँ, उनमें किसी प्रकार का लिंग-भेद न हो। इनमें बालिकाओं को सही तथा परम्परा से हटी हुई भूमिकाओं में दर्शाया जाए। |
| विचारों का बोधन (लिखित तथा मौखिक पाठ में सामान्य कारणों तथा विचारों एवं घटनाओं का परस्पर संबंध स्थापित करना)। | शिक्षार्थियों को बोधन के लिए इस प्रकार के अनुच्छेद दिए जाएँ जो बालक तथा बालिकाओं में लिंग-समानता संबंधी मूल्यों को स्थापित कर सकें |
| | बच्चों के लिए नाटक, वाद-विवाद, अभिनय-क्षमता आदि का आयोजन, बालक तथा बालिकाओं की भागीदारिता को लेकर समान हो। उचित विषय के चुनाव द्वारा लिंग-भेद को समाप्त करने पर बल दिया जाए। |
| | बालक तथा बालिकाओं की समाचार-पत्र पढ़ने के लिए प्रोत्साहित किया जाए तथा इसके लिए उन्हें समान अवसर प्रदान किए जाएँ। समाचारों पर दोनों से समूह में विचार-विमर्श करने को कहा जाए। |

**समुदाय के साथ किए जाने वाले क्रियाकलाप**

* शैक्षिक विकास के लिए अभिभावक अपने लड़के तथा लड़कियों को समान सुविधाएँ प्रदान करें।

* लड़कियों में भाषित क्षमता के विकास के लिए अभिभावक उन्हें क्रियाकलापों में भाग लेने के लिए प्रोत्साहित करें।

* समुदाय के क्रियाकलापों में राष्ट्रीय पर्वों का आयोजन हो, जिसके अन्तर्गत राष्ट्रीय विकास में महिलाओं की भूमिकाओं को उजागर किया जाए। इन पर्वों में पुरुष व नारी की समान सहभागिता हो शिक्षक विभिन्न सामाजिक कार्यकलापों में जुड़ी महिला कार्यकर्ताओं के विषय में अभिभावकों से विचार-विमर्श करें।

* शिक्षक अभिभावकों को इस बात के लिए जागरूक करें कि घर तथा विद्यालय में बालक-बालिकाएँ, एक-दूसरे के विचारों को आदर दें।

* अभिभावक अपने बच्चों को ऐसी लोककथाएँ सुनाएँ जिनमें महिलाओं की उचित भूमिका दर्शाई गई हो।

अभिभावक घर में अपने बच्चों को विचारों के स्वच्छंद भाव से व्यक्त करने के लिए भी प्रोत्साहित करें।

# भाषा (कक्षा I-V)

## भूमिका

प्राथमिक स्तर पर 'भाषा' पाठ्यक्रम के अंतर्गत एक प्रमुख भूमिका निभाती है। भाषा अधिगम द्वारा जिन मूलभूत कौशलों की दक्षता प्राप्त की जाती है, वे अन्य क्षेत्रों की संकल्पनाओं के अधिगम को सरल बनाते हैं। साथ ही बच्चे के व्यक्तित्व के विकास तथा दैनिक जीवन के क्रियाकलापों में उसके आचरण को प्रभावी बनाने में भाषा प्रयोग तथा शब्दावली नियंत्रण एक महत्वपूर्ण भूमिका निभाती है।

## भाषा अधिगम के उद्देश्य

प्राथमिक स्तर पर भाषा अधिगम के मुख्य उद्देश्य निम्नलिखित हैं:

- भाषा को समझते हुए सुनना
- औपचारिक तथा अनौपचारिक–दोनों स्थितियों में प्रभावपूर्ण ढंग से बोलना
- समझते हुए पढ़ना तथा विभिन्न प्रकार की शैक्षिक सामग्री का आनंद लेना
- तार्किकता तथा मौलिकता के साथ सुन्दर एवं स्पष्ट लिखना
- सुनकर तथा पढ़कर विचारों को ग्रहण करना
- विभिन्न प्रकार के संदर्भों में व्याकरण का उचित प्रयोग करना

भाषा के चार महत्वपूर्ण कौशल सुनना, बोलना, पढ़ना तथा लिखना हैं। किसी भी प्रभावी भाषा अधिगम के संदर्भ में इनकी दक्षता प्राप्त करना अनिवार्य होता है। इस रूप में ये चारों मूलभूत कौशल एक दूसरे से संबद्ध हैं।

शब्दों को याद करना तथा संदर्भ से जोड़ना

शिक्षक, शिक्षार्थियों को इस बात के लिए प्रेरित करें कि वे जो भी वाक्य बनाएँ, लिंग भेद से मुक्त हों। निम्नलिखित प्रकार के वाक्यों को न बनाने पर बल दिया जाए। जैसे -- मेरी माँ घर पर रहती है

- मेरे पिताजी फैक्ट्री में काम करते हैं

3. जीवन के सभी क्षेत्रों में महिलाओं की बढ़ती प्रतिभागिता को और अधिक बल देना।
4 गणित के अभ्यासों में सामाजिक, आर्थिक तथा सांस्कृतिक परिवर्तनों को इस प्रकार संयोजित करना, जिससे इस दिशा में बढ़ती इच्छा शक्ति को उजागर किया जा सके।
5. तार्किक शक्ति पर बल देना, जिससे परिवार कल्याण को ध्यान में रखते हुए छोटे परिवार की संकल्पना का विकास हो।
6. गणितीय समस्याओं द्वारा बालक तथा बालिकाओं में निर्णय लेने की क्षमता का विकास करना।
7. समान अवसरों के संदर्भ में इस प्रकार की स्थितियाँ प्रदर्शित करना, जहाँ पुरुष और नारी दिए गए उत्तरदायित्वों का कंधे से कंधा मिलाकर समान कुशलता से निर्वाह करें।
8. सोने, चाँदी तथा अन्य कीमती वस्तुओं के प्रति प्रलोभन की भावना को बहुत कम करना तथा इस प्रकार के व्यवहार को बढ़ावा देना, जहाँ बैंक में धन जमा किया जाए।
9. महिला गणितज्ञों तथा उनकी उपलब्धियों को उनके जीवन वृत्त के माध्यम से उजागर करना।

# गणित (कक्षा - II)

## जोड़, घटा, गुणा तथा भाग

| *समस्याएँ* | *क्रियाकलाप* |
|---|---|
| 1. मुक्ता रीनी एक बैंक में मैनेजर के पद पर 8 घंटे काम करती है तथा 2 घंटे घर में खाना बनाने में लगाती है। वह एक दिन में कितने घंटे काम करती है? | इस बात को स्पष्ट कीजिए कि परिवार के एक सदस्य पर किस तरह काम का दबाव पड़ता है, जब घर के अन्य सदस्य उन उत्तरदायित्वों को नहीं बाँटते। |
| 2. राघवन के माता-पिता सुबह घर के काम में 1 घंटा लगाते हैं। इसके बाद वे 8 घंटे कार्यालय में काम करते हैं। वे दोनों एक दिन में कितने घंटे काम करते हैं? | यह बात समझाइए कि घर के कार्यों को आपस में बाँटने से समय तथा श्रम की बचत होती है जिसका प्रयोग अन्य उत्पादक कार्यों के लिए किया जा सकता है। |
| 3. अरुणा तथा उसके पति की कुल आय 1500 रुपये प्रतिमाह है। अगर वे हर महीने 1000 रुपये खर्च करते हैं तो वे अपनी आय में से कुल कितना बचा पाते हैं? | संसाधनों को बढ़ाने में नारी की भूमिका की चर्चा कीजिए। |
| 4. रशीदा 850 रुपये की एक साइकिल खरीदना चाहती है। उसके पास केवल 800 रुपये हैं। साइकिल खरीदने के लिए उसे और कितने रुपये चाहिए? | नारी द्वारा निर्णय लेने की भूमिका को उजागर कीजिए। |
| 5. रविवार के दिन रामप्रकाश तथा रोहिणी ने पुस्तकों की अलमारी साफ करने में 40 मिनट लगाए। उनमें से प्रत्येक ने कितने मिनट कार्य किया? | कार्य में समान प्रतिभागिता के दायित्वों को उभारिए। |

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| 6. | घर के खर्चों में कमी करके रमण की माँ ने एक महीने में 75 रुपये बचाए। इस प्रकार उन्होंने दस महीने में कुल कितने रुपये बचाए? | घर के खर्चों में कमी की आवश्यकता को समझाइए। |
| 7. | नीलम की माँ अपने बच्चों की चॉकलेट तथा अपने पति के सिगरेट-खर्च को कम करके हर महीने 100 रुपए बचा पाती हैं। इस प्रकार वे एक वर्ष में कुल कितना बचा पाएंगी | --वही-- |
| 8 | रानी की माँ ने उसके जन्मदिन पर चाँदी की चेन खरीदने के लिए 200 रुपये दिए तथा उसके पिता ने 100 रुपए दिए। चाँदी की चेन खरीदने की बजाए रानी ने उस पैसे को बैंक में जमा करने का निश्चय किया। बताइए उसने अपने बैंक खाते में कुल कितना पैसा जमा किया? | बचत के महत्व पर चर्चा कीजिए। |
| 9 | करीम तथा उसकी बहन ने अपने घर के बगीचे की 7 क्यारियों में 35 टमाटर के पौधे लगाए। अगर सभी क्यारियों में पौधों की संख्या समान है, तो क्यारी में कुल कितने पौधे हैं? | पर्यावरण विषयों पर बालक तथा बालिकाओं की भूमिका स्पष्ट कीजिए। |
| 10. | राघव के माता-पिता ने घरेलू खर्च में कमी करके एक महीने में चीनी पर 10 रुपए, तेल पर 4 रुपए तथा घी पर 8 रुपए बचाए। इस प्रकार एक महीने में उन्होंने कितना धन बचाया? | घरेलू खर्चों में कमी की आवश्यकता की चर्चा कीजिए। |

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| 11 रानी की माँ डाक्टर हैं। वे हर रविवार को गाँव जाती हैं तथा गाँव वालों के स्वास्थ्य की जाँच में 4 घंटे बिताती हैं, तो वे एक महीने में कितने घंटे गाँव में बिताती हैं। | घर के बाहर नारी की बदलती भूमिका को उभारिए। |
| 12. रोमिला के पिता घर में 5 सेब लाए। अगर रोमीला के दो भाई व माँ है तो परिवारं के प्रत्येक सदस्य को कितने-कितने सेब मिलेंगे? यदि सभी सदस्यों को दो-दो सेब दिए जाएं तो उन्हें और कितने सेबों की आवश्यकता है? | छोटे परिवार के आदर्श रूप पर बल दीजिए। |
| 13. आपके परिवार का हर सदस्य एक दिन में किस प्रकार का कार्य करता है तथा कितने घंटे कार्य करता है– इसे तालिका के रूप में प्रस्तुत कीजिए। यह भी पता लगाइए कि कौन सबसे ज्यादा काम करता है तथा कितने घंटे काम करता है? | बच्चों से कहिए कि वे घर की कार्य पद्धति को समझें। हर सदस्य द्वारा किए जाने वाले कार्य समय को उन्हें नोट करने को कहिए। कार्यभार में असमानता दिखाई देने पर उन पर चर्चा कीजिए तथा बच्चों में इस भावना को जगाइए कि घर के कार्यों में सभी का समान योगदान होना चाहिए। |
| 14. घरेलू कार्यों में सहयोग से संबंधित अपनी दो समस्याएँ रखिए, जिसमें आपको उत्तर प्राप्त करने के लिए कुछ घटाना है। | |
| 15. शर्मिला एक पर्यावरण वैज्ञानिक है। उसने यह पता लगाया कि एक पौधा लगाने से उस स्थान का वार्षिक वर्षा स्तर एक मिली मीटर बढ़ेगा। अगर उसने स्कूल की | नारी की बदलती भूमिका, निर्णय लेने की भूमिका तथा पर्यावरण संरक्षण में उसकी भूमिका को उजागर कीजिए। |

राष्ट्रीय सेवा योजना (एन. एस. एस) समूह से 100 पौधे लगवाए हों तो उस स्थान के वर्षा के स्तर में कितनी वृद्धि होगी?

16. शैली के बीमार होने पर उसकी माँ अरुणा ने अपने कार्यालय से 3 दिन की तथा उसके पिता प्रदीप ने 4 दिन की छुट्टी ली। शैली की देख-रेख करने के लिए उसके माता-पिता ने कुल कितने दिन की छुट्टियाँ ली?

उत्तरदायित्वों को समान रूप से बाँटने की भावना पर बल दीजिए।

# गणित (कक्षा - III)

(जोड़, घटा, गुणा, भाग, मीटर के माप भिन्नांक, अमानक इकाइयों का प्रयोग, कप, कटोरी, बाल्टी आदि की ग्रहणशक्ति मापना, क्षेत्रफल, समय, मुद्रा)

| समस्याएँ | क्रियाकलाप |
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| 1. रानी की माँ काम के बाद खाली समय गाँव वालों की सहायता में बिताती हैं। उनके पास शनिवार तथा रविवार को 4-4 घंटे समय होता है। यदि एक महीने में चार शनिवार तथा चार रविवार हों, तब वे गाँव वालों के साथ कितना समय बिताएंगी? | अपने खाली समय को उचित प्रकार से बिताने पर बल दीजिए। |
| 2. ईशान के माता-पिता अपनी आय का 1/6 हिस्सा बचाते हैं। यदि उनकी बचत 100 रुपए प्रतिमाह है तो उनकी मासिक आय क्या होगी? | सुरक्षित भविष्य के लिए बचत की आवश्यकता समझाइए। |
| 3. 5 पौधों में पानी डालने के लिए मंजु को एक बाल्टी पानी की आवश्यकता होती है। वह 3 बाल्टी पानी से कितने पौधों को पानी दे सकती है। | पर्यावरण-संरक्षण में बालिकाओं के योगदान को उद्‌घाटित कीजिए। |
| 4. मार्ग्रेट भारतीय वन सेवा विभाग में है। अपने अधिकार वाले वन क्षेत्र के भाग को उसने नवीकरण करने के लिए रख लिया। यदि उसके पूरे वन का क्षेत्रफल 500 वर्ग किलोमीटर है, तो नवीनीकरण किए जाने वाले वन का क्षेत्रफल ज्ञात कीजिए। | घर से बाहर नारी की बदलती भूमिका, उसकी निर्णय लेने की क्षमता तथा राष्ट्रीय विकास में उसकी सक्रिय भूमिका को स्पष्ट कीजिए। |

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| 5. पिताजी ने रेणु तथा उसके भाई राघव को 20–20 रुपए दिए। रेणु ने 5 रु० की एक टॉफी खरीदी, 10 रु० बैंक में जमा किए तथा 2रु० के बिस्कुट खरीदे। राघव ने 5 रु० की एक चॉकलेट खरीदी तथा 10 रु० का एक खिलौना खरीदा। अगर तुम्हें 20 रु० दिए जाएँ तो तुम किसके द्वारा किए गए हिसाब को चुनोगे? और यह भी बताओ कि तुम्हारे पास उसमें से कितने पैसे बचेंगे? | शिक्षार्थियो को निर्णय लेने का अवसर प्रदान करें तथा सही विकल्प चुनने पर चर्चा करें। |
| 6. माता-पिता तुम्हारे जन्मदिन पर 80 रु० खर्च करने को तैयार हैं। तुम अपने जन्मदिन को अपने माता-पिता, भाई तथा चार सहेलियों के साथ मनाने के लिए खर्च को कैसे नियोजित करोगे? | —वही— |
| 7. केथरिन तथा जॉन घर के प्रबंध में अपने माता-पिता की रोज 45 मिनट सहायता करते हैं। वे एक सप्ताह में अपने माता-पिता की कितने घंटे सहायता करते हैं। | बालक-बालिकाओं की समान प्रतिभागिता की आवश्यकता तथा घरेलू कार्यों में दोनों के समान उत्तरदायित्व को समझाएँ। |
| 8. लालचन्द ने अपनी दो बेटियों तथा एक बेटे के लिए 48,000 रु० की संपत्ति छोड़ी, अगर तीनों में यह संपत्ति समान रूप से बांटी जाए तो प्रत्येक को कितना धन मिलेगा? यदि लालचन्द की केवल दो लड़कियाँ होतीं, तब प्रत्येक लड़की को कितनी संपत्ति मिलती? | संपत्ति में महिलाओं के समान अधिकार पर बल दीजिए। |

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| 9. सुषमा ने सामान की बिक्री में सोमवार को अपने पिता की सहायता की तथा कुल बिकी 982 रुपए की हुई। सुषमा के भाई रमेश ने मंगलवार को अपने पिता की सहायता की तथा कुल बिक्री 879 रुपए की हुई। बताइये इन दो दिनों की कुल कितने रुपए की बिक्री हुई। | —वही— |
| 10. टैस्ट मैच की एक पारी में 11 खिलाड़ियों द्वारा बनाए गए रनों की संख्या इस प्रकार है: 105, 84, 53, 22, 7, 9, 3, 9, 29, 67, 0 इस टीम की उस पारी में कुल रन-संख्या कितनी है? | —वही— |
| 11. एक फैक्ट्री में 2425 कार्यकर्ता पुरुष हैं तथा 1985 महिलाएँ हैं। कुल मिलाकर वहाँ कितने कार्यकर्ता हैं? | —वही— |
| 12. सेवानिवृत्त होने के बाद लक्ष्मण ने अपने बेटे गोपाल तथा बेटी रश्मि को अपने बैंक खाते से 12575 रुपए बराबर-बराबर मात्रा में दिए। उसने अपने लिए 18976 रुपए रख लिए। बताइए उसके बैंक खाते में कुल कितनी राशि थी? | घर की संपत्ति में बालक तथा बालिकाओं के समान अधिकार पर बल दीजिए। |
| 13. सरोजनी ने 19500 ईंटें खरीदी। एक कमरे के निर्माण में उसने 6375 ईंटें लगायीं। बताइए अब उसके पास कितनी ईंटें शेष हैं? | शिक्षक नारी की बदलती भूमिका को उभारें। जैसे: बताएं कि घर बनवाने में महिला भी जिम्मेदारी ले सकती है। |

14. एक सहशिक्षा विद्यालय में वाचनालय के निर्माण के लिए लड़कियों ने 7864 रुपए तथा लड़कों ने 6956 रुपए दान के रूप में एकत्रित किए। बताइए लड़कों को कितनी धन राशि और इकट्ठी करनी पड़ेगी, जो लड़कियों के समान हो जाए?

लड़कियों की भागीदारिता को हर क्षेत्र में उभारा जाए।

# गणित (कक्षा IV)

(भारतीय मुद्रा, मीटर के माप, पूर्णांक, भिन्न, घटा गुणा)

| *समस्याएँ* | *क्रियाकलाप* |
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| 1. शर्मिला ने अपने लिए 13.75 रुपए की एक गणित की पुस्तक, अपने पिता के लिए 15.50 रुपए का ऊनी टोप, अपनी माँ के लिए 19.75 रुपए की चप्पल तथा अपने भाई के लिए 11.80 रुपए का एक खिलौना खरीदा। तो उसने सभी वस्तुओं पर कुल कितनी राशि खर्च की? | घर की व्यवस्था में नारी की सक्रिय भागीदारिता तथा दैनिक समस्याओं को सुलझाने की क्षमता प्रदर्शित की जाए। |
| 2. मीनाक्षी ने क्रमशः 60.50 रुपए 40.50 रुपए तथा 30.50 रुपए अपने तीन बच्चों की फीस के लिए जमा किए तो उसने तीनों बच्चों की फीस के लिए कुल कितनी राशि जमा की? | —वही— |
| 3. सन् 1991 की जनगणना के अनुसार भारत में महिलाओं की कुल संख्या 40,65,18,417 थी, जिसमें से केवल 13,17,67,519 साक्षर महिलाएं थीं। अनपढ़ महिलाओं की संख्या ज्ञात कीजिए। | साक्षरता के स्तर पर विभिन्नता को उभारिए। |
| 4. मैं प्रतिदिन पौधों को पानी देने में 15 मिनट खर्च करता/करती हूँ। बताइए कि मैं 30 दिन के महीने में पौधों को पानी देने में कितने घंटे खर्च करता/करती हूँ? | पर्यावरण-संरक्षण में बालक तथा बालिकाओं की भूमिका स्पष्ट कीजिए। |

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| 5. महीने के प्रारम्भ में रजनी ने 2 किलो 500 ग्राम घी खरीदा। महीने के अन्त में केवल 150 ग्राम घी ही शेष बचा। बताइए उसने एक महीने में कितना घी खर्च किया? | सामाजिक दृष्टि से उपयोगी तथा साहसिक कार्यों में नारी में नेतृत्व की भावना को उजागर कीजिए। |
| 6. रंजीता ने 2 किलो 150 ग्राम ऊन खरीदी। उसने अपने पति के लिए स्वेटर बनाने में 400 ग्राम, अपनी लड़की की मिडी बनाने में 200 ग्राम, अपने लड़के के स्वेटर में 175 ग्राम ऊन इस्तेमाल की। उसने 350 ग्राम ऊन अपने लिए मिडी बनाने में भी प्रयोग किया। इस प्रकार उसने कुल कितनी ऊन खर्च की? उसके पास अभी कितनी ऊन और बाकी बची है? | –वही– |
| 7. राष्ट्रीय सेवा योजना (एन. एस. एस.) कैम्प में जाहिरा द्वारा संचालित किए जा रहे दल ने लिंक रोड की 36 मीटर 175 सेंमी. सड़क बनाई तथा कुमार द्वारा संचालित दल ने उसी लिंक रोड की 32 मीटर 175 सेंमी. सड़क बनाई। दोनों समूहों ने मिलकर कुल कितनी लंबी सड़क बनाई? किस समूह ने ज्यादा काम किया तथा कितना काम किया? | –वही– |
| 8. अगर रश्मि शाम को 1 घंटा 30 मिनट अपना गृहकार्य करने में लगाती है तथा 2 घंटे सुबह भी लगाती है। बताइए वह गृहकार्य पूरा करने में कुल कितने घंटे लगाती है? | दैनिक जीवन की समस्याओं को सुलझाने की क्षमता पर प्रकाश डालिए। |

9. खालिदा के घर से विद्यालय 2 कि. मी. की दूरी पर है, जबकि सरिता का घर स्कूल से 6 कि. मी की दूरी पर है। अगर दोनों विद्यालय पैदल जाते हैं तो बताइए स्कूल पहुँचने के लिए कौन ज्यादा दूरी तय करता है और कितनी दूरी? —वही—

10. कक्षा की पिकनिक में 10 लड़कियाँ तथा 12 लड़के थे, जिनमें प्रत्येक को 50 ग्राम मिठाई दी गई। कुल मिला कर कितनी मात्रा में मिठाई दी गई? —वही—

# गणित (कक्षा V)

(अंक तथा अंकीय व्यवस्था, दशमलव, लघुत्तम, अनुपात, माप)

| *समस्याएँ* | *क्रियाकलाप* |
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1. निम्नलिखित तालिका में वर्ष 1981 तथा 1991 में साक्षर महिलाओं तथा पुरुषों की संख्या दर्शाई गई है।

| लिंग | साक्षरों की संख्या | साक्षरों की संख्या |
|---|---|---|
| वर्ष | 1981 | 1991 |
| पुरुष | 15,88,37,215 | 23,04,06,841 |
| महिलाएँ | 7,91,54,717 | 13,17,67,519 |
| कुल | 23,79,91,932 | 36,21,74,360 |

i. वर्ष 1981 में साक्षर पुरुषों की कुल संख्या बताइए।

ii. वर्ष 1981 में साक्षर महिलाओं की कुल संख्या बताइए।

iii. वर्ष 1991 में साक्षर पुरुषों की कुल संख्या बताइए।

iv. वर्ष 1981 की कुल साक्षरता बताइए।

v. वर्ष 1991 की कुल साक्षरता बताइए।

vi. वर्ष 1991 की साक्षर महिलाओं की कुल संख्या बताइए।

vii. वर्ष 1981 में महिलाओं की अपेक्षा कितने अधिक साक्षर पुरुष थे?

viii. वर्ष 1991 में महिलाओं की अपेक्षा कितने अधिक साक्षर पुरुष थे?

साक्षरता के स्तर पर लिंग भेद तथा अनुपात को उजागर कीजिए तथा देश में महिलाओं को शिक्षा के प्रति सचेत बनाइए।

ix. वर्ष 1981 की अपेक्षा वर्ष 1991 में कितने साक्षर पुरुष तथा महिलाएं थी?

2. डौली को 'पढ़ने के दौरान कमाओ' योजना के अंतर्गत हर महीने 50 रुपए मिलते हैं, जिसमें से वह कुल राशि का 2/5 भाग बचा लेती है। बताइए वह एक वर्ष में कितना बचा लेगी?

छात्रों को पढ़ने के दौरान 'बचत योजना' की आदत डालना, जिससे वे आत्मनिर्भर हो सकें।

3. रेशमा के माता-पिता प्रतिमाह 2550 रुपए कमाते हैं। विभिन्न मदों पर वे इस प्रकार खर्च करते हैं।

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| शिक्षा पर | –10% |
| वस्त्र पर | –15% |
| भोजन पर | 30% |
| मकान के किराए पर | –12% |
| अन्य | –16% |

(i) बताइए प्रतिमाह परिवार की आय का कितने प्रतिशत बचा पाते हैं?

जीवन के ही संदर्भ में नारी की प्रतिभागिता को उद्‌घाटित कीजिए।

(ii) हर मद पर कितने रुपए खर्च होते हैं तथा कितने बचते हैं?

4. सुषमा 750 रुपए की एक सिलाई मशीन खरीदना चाहती है। उसकी मासिक आय 500 रुपए प्रतिमाह है। वह 10 महीने बाद मशीन खरीदना चाहती है। बताइए इसके लिए उसे कितने प्रतिशत प्रतिमाह अपने वेतन से बचाना पड़ेगा?

परिवार के भविष्य की सुरक्षा के लिए निरंतर बचत करने की भावना उत्पन्न कीजिए।

5. सुनीता ने 320 रुपए की 4 कि. ग्रा. ऊन खरीदी तथा उससे उसने 20 स्वेटर बुने। उसने एक स्वेटर 28 रुपए का

सामाजिक दृष्टि से उपयोगी उत्पादन संबंधी कार्यों के प्रति उचित भावना का विकास कीजिए।

बेचा। उसके लाभ का प्रतिशत ज्ञात कीजिए।

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| 6. | सरिता ने फैक्ट्री स्थापित करने के लिए बैंक से 50,000 रुपए का ऋण लिया। उसे प्रतिवर्ष 9% की दर से ब्याज का भुगतान करना है। यदि 5 वर्ष बाद पैसा चुकाना हो तो उसे कुल कितनी राशि देनी होगी? | विभिन्न क्षेत्रों में नारी की सक्रिय भागीदारिता को उजागर कीजिए। |
| 7. | खेल दिवस के दिन हर लड़की को 0.75 मीटर फीते की आवश्यकता है। बताइए 45 लड़कियों के लिए कितने मीटर फीते की आवश्यकता होगी? | दैनिक जीवन की समस्याओं को सुलझाने की क्षमता का विकास कीजिए। |
| 8. | लघु बचत में ही प्रत्येक विद्यार्थी ने 11.50 रुपए जमा किए। यदि कक्षा में 45 विद्यार्थी हैं, तो महीने में कुल कितनी राशि जमा होगी? | विभिन्न प्रकार के सही उदाहरणों द्वारा छात्रों में बचत की आदत का विकास कीजिए। |
| 9. | प्राधानाध्यापक विद्यालय में बगीचा बनवाना चाहते हैं। यदि वे 3 घंटे के लिए विद्यालय की 84 छात्राओं को इस काम में लगाते हैं, तब काम 16 दिन में समाप्त होता है। यदि छात्राएं रोजाना 4 घंटे काम करना चाहती हैं, तब काम समाप्त होने में कितने दिन लगेंगे? | शारीरिक कार्य का महत्त्व तथा मेहनत के मूल्य को उजागर कीजिए। |

# पर्यावरण अध्ययन

### भूमिका

पर्यावरण के आमतौर पर दो मुख्य पक्ष हैं– प्रकृति और मानव। यह वर्गीकरण पर्यावरण अध्ययन के पाठ्यक्रम में सामाजिक अध्ययन तथा विज्ञान की समन्वित इकाई के रूप में स्पष्ट रूप से परिलक्षित होता है।

### उद्देश्य

पर्यावरण का प्रमुख उद्देश्य यह है कि बच्चे संपूर्ण पर्यावरण को समन्वित इकाई के रूप में देखें। वे इसे मानव के परस्पर संबंध के कार्य की उपलब्धि, प्राकृतिक पर्यावरण तथा सामाजिक वस्तु के रूप में समझें।

## पर्यावरण (कक्षा I-V)

| *अधिगम क्षेत्र* | *कक्षा में किए जाने वाले क्रियाकलाप* |
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| शिक्षार्थी सामाजिक तथा प्राकृतिक परिवेश के संदर्भ में अपनी भलाई के बारे में जागरूक होता है। | शिक्षक सभी छात्रों को उनके लिंग-भेद तथा आर्थिक स्थिति के बावजूद सफाई की आदतें सीखने के लिए प्रोत्साहित करें। |
| राष्ट्र की भलाई के लिए बालक तथा बालिकाओं की भलाई समान रूप से आवश्यक है। | शिक्षक मुफ्त यूनिफार्म वितरण को सही समय पर निपटाएँ। |
| शारीरिक गुण तथा असमानताएँ उत्कृष्टता तथा निकृष्टता की ओर इंगित नहीं करती। | छात्रों को लिंग-भेद न करने के प्रति प्रेरित किया जाए। कार्यों के रूप में वे एक-दूसरे का सम्मान करना सीखें। |

परिवार के सभी सदस्यों के लिए आवश्यकता के अनुरूप भोजन की संकल्पना।

शिक्षक लिंग-भेद किए बिना समुचित संतुलित भोजन की आवश्यकता की जानकारी दें।

स्वास्थ्य के लिए स्वच्छ जल तथा ताजा भोजन मूलभूत आवश्यकता है।

बालक तथा बालिकाओं को साफ पानी तथा भोजन की स्वच्छता के महत्व को समझाया जाए।

परिवार के विभिन्न सदस्यों द्वारा आयोजित किए जाने वाले कार्यों का समान महत्व है।

शिक्षक अपने आसपास के परिवेश को स्वच्छ रखने की आवश्यकता को उजागर करें तथा बालक और बालिकाओं को बुहारने, झाड़ू लगाने, सफाई करने तथा घर एवं स्कूल की सजावट करने में समान भागीदारिता को महत्व दें।

आसपास के परिवेश की सुरक्षा व उसके स्वच्छ रख-रखाव के लिए सभी की समन्वित जिम्मेदारी है।

शिक्षक बालक तथा बालिकाओं को घर में प्रयुक्त किए जाने वाले बिजली के उपकरणों, स्टोव, गैस आदि का असावधानी से प्रयोग करने पर होने वाली विपत्तियों से सूचित करें। कक्षा में उनसे सुरक्षा के उपायों पर चर्चा करें।

दुनिया के सभी काम पुरुष तथा नारी की क्षमता को ध्यान में रखते हुए किसी से भी करवाए जा सकते हैं।

उभरते तकनीकी विकास में रुचि लेने के लिए शिक्षक बालिकाओं को प्रोत्साहित करें।

अपने आसपड़ोस में आमतौर पर होने वाले अपराधों का ज्ञान रखना। जैसे चोरी, डकैती, उत्पात और अतिक्रमण आदि।

नारी की परम्परागत भूमिकाओं से हटकर सभी भूमिकाओं में नारी की भागीदारिता को शिक्षक उभारें। शिक्षक यह समझाएँ कि जब-जब परिवार, पड़ोस, शहर तथा देश में शांति भंग हुई है, तब-तब इसका सबसे ज्यादा दुष्प्रभाव महिलाओं तथा बच्चों पर पड़ा है।

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| प्रजातांत्रिक व्यवस्था में मताधिकार के महत्व को समझना। | शिक्षक बालक तथा बालिकाओं को न्यायपूर्ण मत की महत्ता समझाएँ। बच्चों को मत के संदर्भ में अपना निर्णय लेने की आवश्यकता समझाएँ। |
| वर्तमान सामाजिक संदर्भ में छोटे परिवार के सिद्धान्तों को अपनाने की महत्ता। | शिक्षक इस बात पर बल दें कि छोटे परिवार के सिद्धान्तों को अपनाने में पुरुष तथा महिलाएँ समान रूप से अपनी भूमिका अदा करते हैं। बढ़ती जनसंख्या से उत्पन्न होने वाले संकटों को भी समझाएँ। बालक तथा बालिकाओं के लिंग-असमानता से उनके अनुपात में कमी से होने वाले दुष्परिणामों से परिचित कराएँ। |
| सुखी परिवार के लिए परिवार के सभी सदस्यों के सहयोग की आवश्यकता होती है। | घरेलू कार्यों में बालक तथा बालिकाएँ समान रूप से भाग लें। पक्षियों के बारे में पढ़ाते समय घोंसला बनाते समय नर तथा मादा के संयुक्त प्रयासों को उदाहरण स्वरूप लिया जा सकता है। |
| भोजन क्रम तथा संतुलित भोजन के बारे में जानकारी। | लिंग-भेद किए बिना भोजन क्रम का ज्ञान दिया जाए। |
| स्वस्थ जीवन के लिए स्वच्छ हवा तथा रोशनी की आवश्यकता पर बल। | अध्यापक बालिकाओं को यह समझाने में सहायता करें कि उनके दैनिक जीवन में आग की लपटें, धुआँ, सूर्य की कम रोशनी तथा कम प्रकाश हानिकारक सिद्ध होते हैं तथा बिना धुएँ वाले चूल्हों, गोबर गैस आदि के बारे में बालक तथा बालिकाओं को जानकारी दें। |

# क्रियाकलाप के क्षेत्र

## भूमिका

बच्चे स्वभाव से जिज्ञासु, अन्वेषक तथा जन्मजात सृजक होते हैं। वे स्वयं को रूप, आकार देकर मूर्त में अभिव्यक्त करना पसन्द करते हैं। दुर्भाग्यवश जीवन के प्रारंभिक वर्षों में उनका जो मानसिक, शारीरिक तथा भावनात्मक विकास होता है, उसके कारण वे इनके प्रति सुस्त तथा निष्क्रिय रहते हैं। बचपन का उफनता जोश जीवन के प्रारंभ में ही विभिन्न दबावों तथा पारम्परिक भूमिकाओं को निभाने में समाप्त हो जाता है जिनकी कि उनसे अपेक्षा की जाती है। इस प्रक्रिया का सबसे ज्यादा दुष्प्रभाव बालिकाओं पर पड़ता है। अपने जीवन के प्रारंभ में ही खेल के साथ-साथ उनकी बहुत सी स्वाभाविक सर्जनात्मक अभिव्यक्तियों पर रोक लगा दी जाती है जो कि हर बच्चे का मूलभूत अधिकार है। आमतौर पर लड़कियों को अपने गुणों तथा विशेषताओं को साकार रूप देने का अवसर नहीं दिया जाता। उन्हें केवल समाज द्वारा पूर्वनिर्धारित भूमिकाओं को ही स्वीकार करने पर बल दिया जाता है। बाल-केन्द्रित क्रियाकलापों पर आधारित दृष्टिकोण पर संशोधित राष्ट्रीय शिक्षा नीति – 1992 द्वारा पुनर्विचार किया गया तथा इसके द्वारा बच्चे के सर्वांगीण व्यक्तित्व का विकास करने पर बल दिया गया, जिसमें कार्यानुभव, कला शिक्षा तथा शारीरिक शिक्षा को समुचित महत्व प्रदान किया गया। हर राज्य द्वारा प्राथमिक स्तर के लिए निर्मित पाठ्यक्रम में क्रियाकलाप के उद्देश्य अधिगम परिणाम, विषय-वस्तु तथा मूल्यांकन तकनीक प्रक्रिया आदि को ग्रहण करने पर बल दिया गया। प्राथमिक तथा माध्यमिक शिक्षा के राष्ट्रीय स्तर के पाठ्यक्रम (1988) में विषयवार उद्देश्यों, विषय-वस्तु तथा पाठ्यक्रम की अध्यापन–प्रक्रियाओं को अपनाने का सुझाव दिया गया। इसके अन्तर्गत जिन क्रियाकलापों का सुझाव दिया गया है, वे बालक तथा बालिकाओं दोनों के लिए होंगे। कक्षा में इनको कार्यान्वित करते समय शिक्षक अनजाने ही दोनों में भेद करने लगते हैं। उदाहरण के लिए शारीरिक शिक्षा से जुड़े कुछ क्रियाकलाप जैसे-- रस्सी कूदना, खो-खो आदि खेल लड़कियों के लिए

माने जाते हैं तथा कबड्डी, हॉकी आदि खेल लड़कों के लिए।

विद्यालय में आयोजित किए जाने वाले खेल लिंग-भेदभाव से मुक्त हों तथा शिक्षक सभी बच्चों को सभी प्रकार के क्रियाकलापों में सक्रिय रूप से भाग लेने के लिए प्रोत्साहित करें। यह भी आवश्यक है कि शिक्षक बालिकाओं को उन क्रियाकलापों में भाग लेने का अवसर दें, जो परम्परागत रूप से बालकों के साथ जुड़े हैं। जैसे — औजारों का प्रयोग करना, हॉकी, फुटबाल जैसे खेल खेलना आदि। इसी प्रकार बालकों को उन क्रियाकलापों में भाग लेने के लिए प्रोत्साहित किया जाए, जो परम्परागत रूप से बालिकाओं से जुड़े हैं। जैसे—नृत्य, संगीत, सिलाई, बुनाई, रस्सी-कूद आदि। कार्यानुभव की कक्षा में समूह में कार्य करने की भावना को प्रोत्साहित करें। समूह का विभाजन लिंग के आधार पर न हो। स्वास्थ्य तथा शारीरिक शिक्षा, कला शिक्षा तथा कार्यानुभव से जुड़े क्रियाकलापों के लिए कुछ खास सुझाव आगे प्रस्तुत किए जा रहे हैं।

**लिंग समानता लाने में सहायक सिद्ध होने वाले क्रियाकलाप**

* बालक तथा बालिकाओं को पंचायत की बैठकों में ले जाएँ जहाँ पंचायत के सदस्य (महिला तथा पुरुष) अपने गाँव से संबंधित निर्णय लेते हैं।

* छात्रों तथा समुदाय में सामाजिक बुराइयों से उत्पन्न होने वाले दुष्प्रभावों से सामाजिक विकास पर पड़ने वाले प्रभाव की चेतना पैदा करना, विशेष रूप से महिलाओं तथा बालिकाओं के संदर्भ में।

* शिक्षक द्वारा महिलाओं की शारीरिक क्षमता से जुड़े अंधविश्वासों तथा रूढ़ियों से होने वाली क्षति को उभारने का सफल प्रयास किया जाए। इस रूढ़ि का विशेष रूप कि बच्चे के लिंग-निर्धारण में महिला पूर्ण रूप से उत्तरदाई हैं। विधवा महिलाओं के प्रति सकारात्मक चिन्तन उत्पन्न करने के प्रयास किए जाएं। बच्चों को यह बताया जाए कि विधवाएँ बदकिस्मत नहीं होतीं, न ही वे अपने पति की मृत्यु के लिए जिम्मेदार होती हैं।

* शिक्षक उभरते व्यवसायों के विषय में बालक तथा बालिकाओं से चर्चा करें। साथ ही बालिकाओं द्वारा नए व्यवसायों में हासिल की गई उपलब्धियों की चर्चा करते रहें। माता-पिता तथा बालिकाएँ इस बात से पूर्णत: सहमत हों कि कोई भी व्यवसाय—बालक तथा बालिकाओं - दोनों के लिए हो सकता है। ऐसा नहीं कि कुछ व्यवसाय सिर्फ लड़कियों के लिए तथा कुछ लड़कों के लिए ही हैं।

**समुदाय में किए जाने वाले क्रियाकलाप**

* अभिभावकों को स्वास्थ्यपरक जीवन-यापन करने की आवश्यकता के प्रति जागरूक किया जाए, जिससे लिंग-भेद किए बिना वे अपने बच्चों को साफ पोशाक में विद्यालय भेजें।
* लिंग भेद किए बिना अभिभावक अपने बच्चों को पोषक आहार देने की आवश्यकता के प्रति जागरूक हों।
* 'अभिभावक–शिक्षक' की बैठकों में अभिभावक को भोजन की स्वच्छता से जुड़े मुद्दों के प्रति सचेत किया जाए।
* समुदाय में नारी तथा पुरुष अपने आसपास के परिवेश की स्वच्छता के लिए विशेष प्रयास करें।
* बिजली के उपकरणों, स्टोव आदि के लापरवाही से प्रयोग करने पर होने वाली समस्याओं के प्रति जागरूकता लाई जाए, जिससे बालक तथा बालिकाएँ घरेलू वस्तुओं तथा विद्युत उपकरणों का प्रयोग करते समय सावधानी बरतें।
* *नए तकनीकी क्षेत्रों में बालिकाओं द्वारा भागीदारिता की आवश्यकता* पर समुदाय का ध्यान आकर्षित किया जाए।
* सफल महिलाओं की उपलब्धियों को समुदाय के समक्ष उजागर किया जाए। इससे बालिकाओं को परम्परा से हटकर, नए पाठ्यक्रमों तथा व्यवसायों में प्रवेश लेने के लिए प्रोत्साहन मिलेगा।
* समुदाय में इस बात की चेतना पैदा की जाए कि परिवार के सभी सदस्यों को उचित सम्मान मिले, चाहे वे पुरुष हों या महिलाएँ। उनको यह महसूस कराया जाए कि किसी भी व्यवसाय को जाति या लिंग से न जोड़ें। हर व्यवसाय समाज के सर्वांगीण विकास के लिए महत्वपूर्ण तथा आवश्यक है।
* गाँव की पंचायत, महिला मंडल तथा गाँव के सक्रिय सदस्यों में देर से विवाह करने की उपादेयता तथा छोटे परिवार के सिद्धांतों के प्रति जागरूक किया जाए, ताकि वे इन विचारों को आगे बढ़ा सकें तथा उन्हें कार्यान्वित कर सकें।
* लिंग-अनुपात में निरन्तर कमी से होने वाले दुष्परिणामों की ओर समुदाय का ध्यान आकर्षित किया जाए।
* समुदाय के सदस्यों को यह बात समझाने का प्रयास किया जाए कि बालक तथा बालिकाओं के शारीरिक विकास में पोषक भोजन की समान रूप से आवश्यकता है।

# स्वास्थ्य तथा शारीरिक शिक्षा

भूमिका

स्वास्थ्य हर मनुष्य के जीवन की मूलभूत संपत्ति है। स्वस्थ जीवन ही बच्चे का अधिकार है स्वस्थ होने का तात्पर्य यह नहीं है कि मनुष्य केवल बीमारियों से दूर हो, बल्कि स्वस्थ होने से तात्पर्य है - शारीरिक, मानसिक तथा भावात्मक रूप से स्वस्थ होना। स्वास्थ्य तथा शारीरिक शिक्षा द्वारा बच्चे का शरीर, उसके कार्यों, भोजन की आवश्यकता आराम, व्यायाम, निद्रा, उचित आसन, व्यक्तिगत तथा परिवेश की स्वच्छता एवं पोषक भोजन के अभाव में होने वाले दुष्परिणामों के विषय में सचेत किया जाता है।

स्वास्थ्य तथा शारीरिक शिक्षा संबंधी क्रियाकलापों को संयोजित करते समय बच्चों में यह भाव उत्पन्न करना आवश्यक है कि पुरुष तथा नारी एक दूसरे के पूरक हैं तथा इस संबंध में किसी प्रकार की उत्कृष्टता या निकृष्टता का भाव रखना गलत है। हर व्यक्ति अपने आप में विशिष्ट होता है तथा उसमें विशिष्ट गुण होते हैं। प्रत्येक व्यक्ति को अपनी क्षमता का पूरा उपयोग करना चाहिए। विद्यालय में बालिकाओं के शारीरिक विकास पर विशेष ध्यान दिया जाना चाहिए। पर्यावरण स्वच्छता संबंधी क्रियाकलापों को समूह में आयोजित किया जाए जिसमें बालक तथा बालिकाएँ समान रूप से भाग लें। बालिकाओं के लिए उचित पोषक आहार की महत्ता को उजागर करना चाहिए। स्वास्थ्य तथा शारीरिक शिक्षा के प्रमुख उद्देश्य आगे दिए जा रहे हैं:

**उद्देश्य**

1. 'बालिकाओं के लिए स्वास्थ्य-शिक्षा का महत्व' के विषय में विद्यार्थियों को जानकारी देना।
2. व्यक्तिगत स्वच्छता के बारे में छात्रों को जागरूक करना।
3. आसपास के परिवेश को स्वच्छ तथा सुन्दर रखने की आदत का विकास करना।
4. उचित तथा पोषक आहार लेने की आवश्यकता की जानकारी देना।
5. आवश्यकता पड़ने पर प्राथमिक उपचार देने के लिए प्रशिक्षित करना।
6. स्वस्थ मनोरंजन के प्रति समुचित दृष्टिकोण का विकास करना।
7. विद्यार्थियों को खिलाड़ी-प्रवृत्ति अपनाने की शिक्षा देना।
8. विद्यार्थियों में सही मानसिक स्वास्थ्य की आवश्यकता तथा महत्व की भावना उत्पन्न करना।

# स्वास्थ्य तथा शारीरिक शिक्षा (कक्षा I-V)

| *अधिगम क्षेत्र/कौशल* | *क्रियाकलाप* |
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| व्यक्तिगत स्वच्छता | बालक तथा बालिकाओं को नियमित रूप से स्नान करने, दिन में दो बार दाँत साफ करने, नाखूनों को कटा हुआ तथा साफ रखने, कंघी करने, स्वच्छ वस्त्र पहनने, व्यक्तिगत प्रयोग की वस्तुओं को ठीक रखने, अपने वस्त्रों को साफ रखने तथा उनकी मरम्मत करने के लिए प्रेरित किया जाए। शिक्षक इस बात का ध्यान रखें कि बालक तथा बालिकाएँ दोनों ही इन बातों का पालन करें। आमतौर पर बच्चों की देखभाल में बालिकाओं की उपेक्षा की जाती है। अत: इस व्यवहार को हतोत्साहित किया जाना चाहिए। |
| शरीर की देखभाल | शिक्षक इस बात के साथ आश्वस्त हों कि विद्यार्थी सोने, भोजन करने, शौच जाने में नियमितता बरतते हैं, काम करने के लिए शरीर की तंदुरुस्ती बनाए रखने पर बल देते हैं; पढ़ाई करते हैं तथा खेलते हैं; खाना बनाने की सही विधि, भोजन का रखरखाव तथा उनका संरक्षण करते हैं; गिरने, जलने तथा विषाणुओं से बचने के लिए सावधानियाँ बरतते हैं; पोषक तत्वों की कमी से होने वाली बीमारियों का पता लगाते हैं; कक्षा में, खेल के मैदान में तथा सड़क पर सुरक्षा के नियमों का पालन करते हैं। शिक्षक इस बात पर भी बल दें कि स्वस्थ जीवन-यापन करने के लिए बालिकाओं को भी इन बातों को व्यवहार में लाना है। परिवार के सदस्यों को स्वस्थ बनाने में बालक तथा बालिकाएँ उपर्युक्त क्रियाकलापों को अपना सकते हैं, जिनसे कि उनका समान उत्तरदायित्व प्रदर्शित |

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| | हो सके। |
| विभिन्न शारीरिक क्रियाकलापों में सही आकर तथा कुशलता से भाग लेना, जैसे--चलना, धीरे-धीरे उछलते हुए चलना दौड़ना, झुकना, कूदना, रस्सी कूदना आदि नकल तथा अनुकरण करना, जैसे बन्दर की तरह सरकना, हाथी की तरह चलना, घोड़े की तरह सरपट दौड़ना, गाड़ी की चाल, बतख की चाल, मेंढक की कूद, खरगोश की कूद, चाय वाले की पुकार, बिल्ली का म्याऊँ, कुत्ते का भौंकना आदि। सुर-ताल आदि। | इस प्रकार के क्रियाकलापों में शिक्षक इस बात पर ध्यान केन्द्रित करें कि क्रियाकलापों में भाग लेने में बालक तथा बालिकाओं की समान भागीदारिता हो। लिंग-भेद किए बिना छात्रों को इन क्रियाकलापों में भाग लेने के लिए प्रोत्साहित किया जाए। बालक तथा बालिकाओं – दोनों में नेतृत्व के गुण पैदा किये जाएं। अभिभावकों को इस बात के लिए प्रेरित किया जाए कि वे अपनी लड़कियों को सभी प्रकार के शारीरिक क्रियाकलापों में भाग लेने के लिए प्रोत्साहित करें। |
| खेल की तैयारी | इन क्रियाकलापों में भाग लेने के लिए बारम्बार प्रतियोगिताएँ आयोजित की जाएँ। जहां तक संभव हो सके, बालक-बालिकाओं का मिला-जुला समूह बनाएं। |
| मुकाबले | बालिकाओं को आत्म-सुरक्षा के उपाय सीखने के समुचित अवसर प्रदान किए जाएँ। |
| व्यायाम विद्या | खेल-कूद के आयोजन के लिए सुविधाएँ प्रदान करने हेतु समुदाय से संपर्क किया जाए। |
| परिवेश की स्वच्छता | विद्यालय के शौचालय की स्वच्छता के लिए बालक-बालिकाएँ एकजुट होकर कार्य करें, |

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| | कूड़ेदान ढककर रखें, इधर-उधर कूड़ा-करकट न फेंकें; पौधों की क्षति को रोकें; वे विद्यालय द्वारा आयोजित स्वच्छता अभियान में भाग लें; कक्षा, खेल के मैदान तथा विद्यालय के आसपास के परिवेश की स्वच्छता की देखरेख करें, विद्यालय के व्यर्थ पदार्थों को ठीक ढंग से फेंकने के लिए वे उचित कदम उठाएं। |
| मानसिक स्वास्थ्य | बालक तथा बालिकाएँ एक दूसरे को सम्मान के साथ संबोधित करें; एक दूसरे के प्रति दयाभाव रखें तथा एक दूसरे को परेशान न करें; अपनी दिनचर्या जैसे पढ़ाई, खेल-कूद, विश्राम, व्यायाम तथा सोने के प्रति उचित संतुलन रखें, घर में बीमार या वृद्ध लोगों की देखभाल की जिम्मेदारी स्वीकार, करें; समुदाय में बीमार लोगों की मदद करें; सार्वजनिक संपत्ति को क्षति न पहुचाएँ। |

नोट : जैसे–जैसे विद्यार्थी निम्न–स्तर से उच्च–स्तर की ओर बढ़ें, वैसे–वैसे इन क्रियाकलापो के कठिनाई स्तर को क्रमशः बढ़ाते जाएँ।

# कला शिक्षा

**भूमिका**

प्राचीन काल से कला ही 'संप्रेषण' तथा 'अभिव्यक्ति' का माध्यम रही है। बच्चे के स्वाभाविक विकास में 'कला शिक्षा' का भी योगदान है। जैसे कि अपने प्रारंभिक समय से ही बच्चा विभिन्न ध्वनियों, हावभावों, रंगों आदि को पहचानना तथा उन्हें स्मरण करना शुरू कर देता है। बच्चे के जिज्ञासु मन में अपने आसपास के परिवेश के विभिन्न क्रियाकलापों को देखकर भाव तथा विचार शक्ति उत्पन्न होती है। विद्यालय में जाने से पहले बच्चे के पास पर्याप्त मात्रा में विभिन्न प्रकार की शब्दावली होती है तथा उसके पास उस सामग्री या स्रोतों को कुशलता से संयोजित करने की भी खास क्षमता व दक्षता होती है।

अपनी अभिव्यक्ति के लिए विभिन्न आंतरिक गुणों को व्यक्त करने तथा अपनी सर्जनात्मक मांग पूरी करने के लिए कला एक प्रक्रिया है। अतः बिना लिंग भेद किए, कला शिक्षा प्रदान की जानी चाहिए। यह छात्रों के लिए केवल अपनी सर्जनात्मकता के विकास का प्रभावी साधन ही नहीं, बल्कि स्वयं को अभिव्यक्त करने में आत्मविश्वास की भावना भी पैदा करती है। यह केवल तार्किक ढंग से सोचने की क्षमता ही पैदा नहीं करती बल्कि उनमें निर्णय लेने की क्षमता का भी विकास करती है, विशेष रूप से तब, जब बच्चा रूप, रंग, गीत या मुख्य विचार आदि की अभिव्यक्ति के लिए कोई खास माध्यम चुनता है। यह प्रक्रिया आत्मविश्वास पैदा करती है तथा तत्संबंधी रुचि के क्षेत्र में छात्र की क्षमता उजागर करती है। 'कला शिक्षा' कुछ जन्मजात विशेषताओं को कला शिक्षण के क्रियाकलापों में निस्संकोच भाग लेने के लिए प्रेरित करती है। इस विषय से संबंधित मुख्य क्षेत्र चित्रकारी, रंगसाजी तथा प्लास्टिक की कलाएँ हैं।

**उद्देश्य**

1. छात्रों में सर्जनात्मक कलाओं को सराहने की क्षमता पैदा करना।
2. कला क्षेत्रों से जुड़े क्रियाकलापों में भाग लेने के लिए बालिकाओं को समान अवसर देना।
3. छात्रों में दृश्य माध्यमों तथा प्लास्टिक कलाओं द्वारा देखने, सोचने तथा स्वयं को अभिव्यक्त करने के गुणों का विकास करना।
4. छात्रों में संगीत, नृत्य तथा नाटक के सामान्य रूपों द्वारा स्वतंत्र अभिव्यक्ति की क्षमता पैदा करना।
5. छात्रों में प्राकृतिक सौंदर्य के प्रति प्रेम जाग्रत करना।

# कला शिक्षा (कक्षा I-V)

| *अधिगम क्षेत्र/कौशल* | *क्रियाकलाप* |
|---|---|
| नृत्य, नाटक तथा संगीत में स्वतंत्र गति तथा लय। कण्ठ तथा वाद्य-संगीत के माध्यम से अपनी स्वतंत्र अभिव्यक्ति। | बालक तथा बालिकाओं की समान सांस्कृतिक परम्पराओं को प्रदर्शित करने के लिए विद्यालय में विभिन्न अवसरों पर सांस्कृतिक कार्यक्रमों का आयोजन किया जाए। इन सांस्कृतिक कार्यक्रमों में कई बार भाग लेने से बालिकाओं को स्वयं को अभिव्यक्त करने के अवसर मिलेंगे। इससे उनमें आत्मविश्वास भी पैदा होगा। |
| रंगसाजी तथा चित्रकारी | चित्रकारी में पारंपरिक विषयों पर बल न दिया जाए। जैसे— मटका उठाना, घर की सफाई करती महिला आदि इस प्रकार के पारंपरिक रूपों में परिवर्तन प्रारंभिक अवस्था में बहुत प्रभावी होते हैं। बालिकाओं को प्रतियोगिताओं में भाग लेने के लिए उत्साहित किया जाए। |
| मिट्टी के आकार, लकड़ी का काम, लकड़ी तथा पत्थर पर नक्काशी, मिट्टी की वस्तुएँ बनाना, सजाने के काम में अर्थ सामग्री की उपयोगिता, ब्लॉक द्वारा निर्माण कार्य। | इन क्रियाकलापों में भाग लेने के लिए बालक तथा बालिकाओं को समान अवसर प्रदान किए जाएँ। नारी का चित्रण कामुकता के प्रतीक के रूप में प्रदर्शित करने का विरोध किया जाए। बालक तथा बालिकाओं को लकड़ी पर नक्काशी, बढ़ईगिरी, मुखौटे बनाना, विद्यालय की दीवारों पर छोटे भित्ति चित्र बनाने के लिए प्रोत्साहित किया जाए। |
| रंगसाजी तथा चित्रकारी | विद्यार्थियों से इस प्रकार की चित्रकारी न करवाई जाए जिसमें नारी की हीन स्थिति प्रदर्शित हो। महिलाओं को परम्परागत रूप से हटकर नई भूमिकाओं में प्रदर्शित किया जाए। |
| | जीवन की विविध भूमिकाओं में नारी तथा पुरुष को कला के विभिन्न माध्यमों द्वारा मिलजुल कर काम करते दिखाया जाए। |

# कार्यानुभव

## भूमिका

प्राथमिक स्तर पर कार्यानुभव के उद्देश्य सामान्य शिक्षा के बहुत नजदीक हैं। इस स्तर पर बच्चे घर तथा विद्यालय में विभिन्न क्रियाकलापों में भाग लेना बहुत पसन्द करते हैं। बच्चों की यह स्वाभाविक प्रवृत्ति कार्यानुभव के अंतर्गत आयोजित क्रियाकलापों के माध्यम से संतुष्ट हो सकती है। लिंग-साम्य लाने में शिक्षा के प्राथमिक स्तर पर किए जाने वाले कुछ क्रियाकलाप इस प्रकार हैं :

### विद्यालय में किए जाने वाले क्रियाकलाप

* शिक्षक बालक तथा बालिकाओं की सहायता करें जिससे वे :
* अपने परिवेश से विभिन्न कार्यों के लिए स्थितियों का चुनाव कर सकें तथा विभिन्न कार्यों के संपादन के लिए औजारों, सामग्री तथा तकनीक के विषय में जानकारी एकत्रित कर सकें।
* समुदाय में विभिन्न सेवा केन्द्रों की सूची बना सकें। (जैसे स्वास्थ्य केन्द्र, रेलवे स्टेशन बस अड्डा, डाक कार्यालय, आदि)
* यह समझ सकें कि लड़कियाँ भी उन कार्यों में समान रूप से भाग ले सकती हैं, जो केवल आज पुरुषों द्वारा ही संचालित किए जाते हैं।
* विभिन्न क्रियाकलापों के लिए वैज्ञानिक सिद्धान्तों तथा प्रक्रियाओं को उजागर कर सकें।
* बागवानी, सफाई, साज सज्जा की सामग्री बनाने में सामान्य औजारों का प्रयोग कर सकें। बालक तथा बालिकाएँ अपने साथियों के साथ अपने खिलौनों तथा औजारों का लेन-देन कर सकें। वे इस बात को भी समझ सकें कि वैज्ञानिक तकनीक का प्रयोग दैनिक जीवन में मनुष्य की ऊर्जा का संरक्षण करता है।
* शिक्षक फालतू तथा सस्ती चीजों से बालक तथा बालिकाओं को मिल-जुल कर सामग्री निर्माण करने के लिए प्रोत्साहित करें।
* शिक्षक बालक तथा बालिकाओं में इस बात की चेतना पैदा करें कि विद्यालय

तथा आस-पास के परिवेश की स्वच्छता उनकी मिली-जुली भागीदारिता से ही संभव है।

* शिक्षक बच्चों को समझाएँ कि कोई भी कार्य लिंग आधारित नहीं है। उचित प्रशिक्षण देने के बाद कोई भी काम किसी से भी करवाया जा सकता है, चाहे वह लड़का हो या लड़की।

* बालक तथा बालिकाएँ कार्यानुभव के अंतर्गत तैयार सामग्री की प्रदर्शनी आयोजित करें।

* समुदाय के सदस्यों को (अभिभावक आदि) इस प्रकार की प्रदर्शिनियों में आमंत्रित किया जाए, जिससे वे बच्चों की सहभागिता की प्रशंसा कर सकें।

* बालक तथा बालिकाओं को इस बात के लिए प्रोत्साहित किया जाए कि वे मिल-जुल कर विद्यालय के समारोहों की योजना बनाएं तथा उसमें समान रूप से भाग लें।

* कार्यानुभव के अंतर्गत आने वाले सभी क्रियाकलापों की इस प्रकार योजना बनाई जाए जिससे बालक तथा बालिकाएँ उसमें समान रूप से भाग ले सकें।

# परिशिष्ट

*प्रतिभागी सूची*

1. श्री जनक राज शर्मा
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   एवं टीचर्स ट्रेनिंग विभाग
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   पश्चिमी बंगाल
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10. श्रीमती मीनाक्षी शर्मा
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    एन. सी. ई. आर टी.
    नई दिल्ली

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एन. सी ई. आर. टी.
नई दिल्ली

15. प्रो. एम. चन्द्रा
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एन. सी ई. आर. टी.
नई दिल्ली

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डी. डब्ल्यू. एस.
एन. सी. ई. आर. टी.
नई दिल्ली

17. डा. के. सी. नौटियाल
डी. डब्ल्यू. एस.
एन. सी. ई. आर. टी.
नई दिल्ली

18 डा. किरन देवेन्द्रा
डी. डब्ल्यू. एस.
एन. सी. ई. आर. टी.,
नई दिल्ली

19. डा. जनक दुग्गल
डी. डब्ल्यू. एस.
एन. सी. ई. आर. टी.,
नई दिल्ली

20. डा. राजरानी
डी. डब्ल्यू. एस.
एन. सी. ई. आर. टी.
नई दिल्ली

21. श्री हरीश कुमार त्यागी
डी.. डब्ल्यू. एस.
एन. सी. ई. आर. टी.
नई दिल्ली

22. डा. मंजू गुप्ता
आई. जी. एन. ओ. यू.
नई दिल्ली

the people of the area was opposed to participation in the European war. In other areas the *only* remaining newspaper publisher was violently in favor of rushing to the aid of embattled England.

In both sets of cities—in all cities without competing newspapers—there was no capacity for sharpening public knowledge and judgment on the Great Debate by supplying controversial facts—prejudiced and distorted if you please, but at least on more than one side of the great issue facing the nation.

In more than 1,200 cities there is only one newspaper. What price democracy! There are only 117 cities in this vast land where there is more than one newspaper ownership—where in democratic fashion there is the capacity for daily debate In more than 100 districts the only newspaper owns the only radio station. A score of persons own those Sunday papers which account for more than half of the Sunday circulation from Maine to California. One company sends out the "boiler plate" which supplies the mid-section for more than 3,000 of our weeklies. The three national wire services—by no means available to all papers—are too few in number.

Under our great theory that the owner of the press has the right to be wrongheaded or malicious, press-service material has been cut, diluted or distorted by headlines to agree with the prejudices of each publisher. There is quite rightly no compulsion to print, or to print without change or elision That a publisher without competitors in his area may have had the commercial acumen or the spiritual wisdom to buy some boiler plate or columnist material which opposed his position on the issue then raging is less than the perfection our great democracy deserves.

A handful of radio commentators filled some of the void. A few magazines of opinion fed—pro or con—the people who were in the sterile belt of the more than 1,200 single-newspaper towns.

As our people look back on the Great Debate few will think of the daily press as an integral part of the struggle, other than

in terms of Joe Palooka versus Orphan Annie. Rather do our minds go back to Committees to Keep Us Out of War, or Committees to Get us Into War. Even the President, from his position of great prestige, could not too often try to wake us up with "quarantine" speeches The few remaining owners of dailies, radio stations and movie companies had lost the joy of controversy, feared the heat of debate and had in the main forgotten that a united nation requires an informed people and that an informed people in a democracy must sift dogmas and hypotheses for facts on which they want to act

It took an unreasonable time to get issues debated by the nation. Once informed enough for controversy, we remained in trouble but we were out of danger. As free men we could produce in our plants and on our farms sufficient material to stagger the world—enough to supply Russia and England and China with the decisive war goods. As free men we could fly better than Nazi slaves or Jap puppets. Spontaneity and ingenuity derive from freedom of thought. Those latent characteristics stood us in good stead They were our supreme equipment.

This danger, of the period of the Great Debate, is comparatively easy to recall. Rotterdam sacked, Poland ravished, London blitzed, minorities imprisoned. Japan stabbing us in the back. The press, radio and movies had journalistic-dramatic hot news on which to found the debate but there were just too few of them left for 138,000,000 people across 3,000 miles. We could see what was happening even though the distance from the enemy seemed astronomical to our little-traveled people. We should recall how often President Roosevelt reiterated the distances across oceans—in months a century ago, in hours today. The debate involved making 6,000 miles seem just outside our doorsteps

### THE TWO WAYS OF LIFE

Nevertheless, we did keep our freedom. No foreign ruler has sealed our lips or ears or eyes We are equally intent that our

own government will not do so. But the age-old desire of tyrants to be rid of disturbing criticism has not disappeared from the earth The great Soviet experiment, rich and fruitful in so many ways, has publicly reversed its historic position on one sector of free speech—the speech which is called religion No longer is the cry, "Religion is the Opiate of the People" But in Russia it is still a crime to listen to shortwave broadcasts from other lands It is still inconceivable that any newspaper would criticize Marshal Stalin in his civil or military capacities Its movies are government written and government made Movies from the United States and other nations are handpicked by Soviet officials with captions rewritten before showing. The 180,000,000 persons in Russia can see and read and hear only what their ruler thinks will do them good.

Likewise, all persons outside of Russia are kept in the dark or are allowed to see only through Soviet-colored lenses Travel is restricted in the Soviet It always has been Our cameramen, broadcasters and reporters have no freedom to roam, to see, to report to us what goes on in Russia Thus we are denied the right to know about that great nation in our own way, by setting fact off against fact, testing for truth in free public debate We still believe that our techniques of acquiring knowledge not only get us nearer to truth but also sharpen our minds and increase our critical capacities. We are rightly suspicious of other techniques.

The contrary philosophy of Soviet Russia is understandable, and historically explicable But it just isn't ours. It is, moreover, the single greatest factor operating against international peace in the world today In a world of freedom of thought there is scant likelihood of war. For my part, excited as I am about the United Nations Charter, I think I would today exchange it for one single act—the conversion of Russia to our concept of freedom of thought and exchange of ideas I might add that under the Charter one of the commissions to be organized may induce Russia to abandon her tyranny over the minds of the Russian people, or at least reduce her barricades of the other peoples of the world as to the happenings inside Russia.

We know the Marxists promise that freedom of thought will come eventually—when the people are prepared for mental freedom, when the nation is secure in a capitalistic world We in our great tradition just don't believe that any one person or group is fit to write the timetable for closing and opening the minds of the people of any society.

We hope that with Germany destroyed Marshal Stalin will feel secure enough to allow his people to learn what is going on elsewhere in the world He may have to go slowly. His people are not used to a free market in thought They never had it under the czars and now for more than twenty-five years criticism of their rulers has meant Siberia. Knowledge of other nations was diluted and capsuled to fit the need of Marshal Stalin for security. At least we hope that Russia may soon loosen some of its harshest restrictions on the international front. In the operation of the United Nations there inevitably will be more run-of-the-mill debate and controversy in the press of Russia as to international issues. However, it may be many years before Russia will allow papers and magazines financed by the government to be critical of the government which, in turn, foots the bills for the publications and selects the editors of their pages.

How such independence of editorship can be separated from reliance on the state for money to run the paper is a problem for future Communist dialectics But that is not our problem. Or at least it is only our problem to the extent that the Russian governmental adherence to intellectual dictatorship makes it more difficult for our nations to understand each other, and for us to get along with the Russian people. My guess is that radio will lick the Russian dictator In a sense radio is the dream of a dictator—a single announcer with compulsory mass reception In another sense the ether waves respect no inconsequential markings on maps, such as state or national boundary lines If once the people of Russia are allowed to buy shortwave receiving sets, the fears of those Americans most frightened about our relations with Russia will evaporate. Even without

such permission the ordinary receiving set will pick up something from nearby lands

The great people of Russia will then become informed about our folkways and we will learn about theirs. We will freely exchange facts, prejudices, experiences We will argue, we will debate, we will laugh at each other, we will complain about each other, will ridicule and admire. Our minds will clash—and out of just such free clashes will understandings arise Enduring peace must stem not from similarities but from understandable differentials in folkways. There cannot be killings among peoples who communicate freely with each other. War thrives on darkness and taboos.

I single out Russia, although it is by no means the only intellectual dictatorship in the world In fact, there are only a handful of nations free of governmental restraints and controls on press, radio and movies I select Russia because it is the biggest nation operating on a thesis antithetical to our basic political philosophy Moreover, its influence in Asia and Europe will no doubt further invite chaotic war-ridden states to turn to the comfort of complete governmental ownership of radio, movies and press Governmental controls of the mind seem so comfortable and easy. Lazy, tired, war-racked men and women will accept it. They may want to be told what to think as well as what to eat and do. Tired people enjoy mental lockstep Already many nations in Europe have moved far along the path of the Russian ideology—internal controls of opinion. In many other nations embargoes or tariffs on import or export of ideas have been established.

It is important that the debate between our people and the people of Russia continue—on the merit of our Bill of Rights against the values of a totalitarian state. We should question whenever possible the need of Russia to put the blue pencil as a symbol above the sickle and the hammer. Just as we truthfully can praise Russia's great strides in literacy and her reduction of racial bigotries, so can we deplore her continued dictatorship of the mind. It is a peril to our relations with Russia In my

opinion it is the only peril—for this difference between us goes to the very matrix of our civilization. Besides, unless Russia opens up her market place of the mind we shall face a world with two kinds of clashing civilizations competing against each other. To the extent that absence of freedom of thought spells easy regimentation of a people and to the extent that a regimented people is easier to handle in a war or in any concerted drive of short duration, it is most important to note that the Russian totalitarian tactics give her an advantage in certain short-term policies and decisions. But we want long-term peace and hence must try to persuade Stalin to use long-term standards of behavior.

### SHALL WE REMAIN FREE?

These two great clashing world ideologies underlie all subsidiary questions such as Communism, Socialism, Capitalism or any other form of production. Obviously a free people has the right to select the way of life it desires at any moment. To be a free people there must be a clash of wits—the only sane discipline, the only safe road to decision Capitalism or Communism, if dictated, are both evil because of the very superimposition of ideas and the consequent inability to admit error and pursue change by will of the people Obviously the degree of governmental participation, control or conduct of business and labor is not a matter of absolutes There is no society even as small as a family where, to avoid chaos or to save work, some rule is not laid down by which the head of the tribe is found to be operating certain jobs which formerly each member did for himself. The test is not whether we have governmental as opposed to private water works, fire engines, housing or Cape Cod canals. The question is, Under which system do we at a particular point of history think we will gain more happiness?

In testing the value of cooperative governmental undertakings we must ask, Will we spend less hours at effort to sustain ourselves? Will the hours be more enjoyable? Will the governmental controls reduce initiative and incentives for further

advances in the art of reducing effort? Will the government get so big as to be inefficient? Will such inefficiency lead the government to resent criticism—the only real corrective in life? Will the people in turn lose freedom of debate? And in turn will we not swing around the entire circle, ending with dictatorship and its inevitable negation of man's potential plenty of ideas?

It seems to me that the struggle for the survival of ideas is more important to man than his historic battle to survive against wild animals, glaciers or disease Our procreative record shows that our bodies have won out in the physical struggle for survival. Never were more of our species on this "our" earth. Under a dictatorship we find blind acceptance of norms of thought pushed down from above, no collective deliberation and an ultimate united front of the societal mind, which means mental sterility by consensus There is no profound struggle for survival of ideas where there is monopoly of thought.

Violent revolution is not the only path to dictatorship People can vote away their rights to a free arena of debate, or they can sit idly by while a few persons monopolize the organs of dissemination of thought. A handful of men can rather quietly dominate practically all of the motion pictures of a nation A quartet of companies can become the owners of the best radio broadcasting stations with the greatest volume, power and best wave lengths. A score of men can be the proprietors of the majority of Sunday newspapers. One man may gradually own half the daily papers of a state. A few chains of papers may account for 20 per cent of all daily paper circulation Such concentration of power in the realm of thought—and much worse—has already happened in these United States.

Our nation has been put to sleep under the blanket of laissez faire. It now must wake up with nightmares of threatened dictatorship. There is no dictatorship without reduction of controversy. Concentration of the means of communication is a danger just as ever-increasing diversity of opinion—the symbol of freedom—is the highest desideratum of democracy. We who were a people of pamphleteers and town meeting talkers now

find ourselves in the midst of a trend of concentration of power over our own minds. Each one of us is aware of this trend. Look back into your home town of twenty or thirty years ago. How many dailies were being published then? How many now? Does one man own the only two papers of that area? Or is there only one paper left?

Halford Hanser, of the Cape Cod *Standard Times* writes, "The one newspaper ownership monopoly which exists in 1,280 cities and towns of the United States is the greatest single factor threatening a free press." I don't know whether this is the greatest threat—there are so many other evil trends toward press concentration. We are no longer in danger of church or state controls as much as we are of being ruled by a mere handful of people with economic power.

To foster concentration of thought or to permit concentration to happen is equivalent to seeking minority rule, which in turn leads to totalitarian government. Around the turn of the century telephones, automobiles, steel—all went through the industrial revolutionary process of increasing in size Mechanical mass production had certain obvious advantages. Costs were reduced, prices to consumers were lessened and more persons presumably got more things at lower prices.

What mass production did to the people at the belt is another story I wrote it for Judge Brandeis a decade ago from the angle of the optimum point of efficiency It was in a book called *Too Big*. But the choice is not one of Too Big Government or Too Big Business. For the purposes of this book I do not intend to go into the very questionable economic validity of Too Big Business, its building up of units beyond the capacity of man's managerial powers, the distress occasioned by the collapse of the giants and the consequent demand for Too Big Government

However, it is urged by some that in the business of the press, movies and radio mere size has a tendency to lessen costs to direct consumers. In the movie business costs to consumers are regulated by producers. Prices of admission have no clear

relationship to cost of making a picture or, by and large, to the desire of people to see a picture. In fact, the larger the audience demand the more likely a rise in ticket prices. In radio the larger networks, with vast wholesale operations make such untold fortunes—in some cases more than 150 per cent return each year on their invested capital (before taxes)—that consumers get slight if any benefit in price (through advertising rates or even through commodities purchased) because of large-scale business Newspaper prices have little relationship to circulation. This is true because as readers of papers we do not pay for our papers when we buy them The cost of newspapers is subsidized by advertisers, which means that we pay for our newspapers by indirection—that is, every time we buy a cake of soap, a tin of tooth paste, an auto or a pair of shoes.

## Chapter III

# THE VANISHING MARKET PLACE OF THOUGHT

### THE BIG BAD MONOPOLISTS

Bigness and concentration of power in these communication fields is part of our traditional monopoly problem For more than half a century we have seen the danger of monopolies in markets of tangible commodities for shop or home We cherished small business, emotionally resisted the wiping out of free individual enterprise and deplored the increased prices to consumers resulting from trusts and monopolies. Our efforts have been not too well rewarded. Consistently we have starved the budget and personnel of the anti-trust division of the Department of Justice Recently we revitalized the work. But we labored under old-fashioned economic philosophies We refused to adopt the Brandeis approach We have not even reduced the rate of decimation of smaller units by the giants

When the war came we found that the army and navy gave further aid to large-scale business. It was easier to place a few orders of vast size than to employ the entire man and plant power of the nation directly by a program of Bits and Pieces such as was adopted in England. So the Big grew bigger and relieved the government of much detail by becoming the dispensers of millions of subcontracts. All of which added to the power of the big company, the primary contractor.

The essential error of our approach arose from turning our gaze more toward the evil monopolist than toward distortions of the market place In a way we wanted a personal devil. However, as a buccaneer westward-moving people we were confused between our admiration for the man who could corner the market and our grievance against the limitation on the right of every man to engage in a profitable undertaking Moreover, the innate business-inventive genius of our people accelerated the develop-

ment of mergers, consolidations and pools of buying and selling power It was natural for our law to develop on the theory that monopoly was in itself not an evil. We did not wish to throttle ambition until the precise moment when success had created *unreasonable* restrictions on free enterprise.

We know that all competition is hurtful to the independent competitor. We were more concerned with the little man driven out of business than for the public inevitably hurt by monopoly. We said, "Let's look at how the monopolist got his power. Was he decent? Did he cheat? Did he wipe out competitors by *unfair* practices?"

Such queries missed the real point of the national economic inquiry. To the consumer it makes no difference whatever when he goes out to buy a radio, see a movie or purchase a paper, whether the producer or distributer was clean or dirty in the efforts which gave him control of the market. The sole test is, has he got a monopoly, not how he got it. Had we listened to Brandeis we would long ago have scrutinized the end result—the condition of the market. We would have assumed that mere exaggerated size created presumptions of anti-social power.

It's never easy to ascertain how a market place would have behaved in the absence of a monopolist. We must accept on partial faith the dogma that whenever a single buyer or seller controls the major demand or supply of any commodity, there are implicit temporary advantages to such concern by restricting the supply, eliminating competition and increasing the burdens on the consumers. The same holds true if instead of a single monopolist a group of companies act in concert. However, we seem to think group action is more anti-social than action by one alone Again to the consumer it makes no difference.

That the monopolist or the group is malicious, or even intends to reduce or increase costs, seems to me to be irrelevant. Nor is the observation any different if a group of "little" men gets together to fight a single large giant—if their combination can control the market place. This, no matter how sympathetic we are to little merchants. A union closed at both ends—closed

membership and closed shop—contains the same evil influence on the market as the practices of monopolists

We must remove our emotions from our appraisal of this stream of economics. Our courts, until recently, endeavored to ascertain the manner in which the monopolist got his power. It seemed important, before condemning a monopoly, to find out if the company charged with the crime was fair or unfair in its treatment of competitors. All this is now beside the point. In the radio and Associated Press anti-trust decisions we have at last become adult in the law of restraint We look at the company alleged to control an area or a commodity. Comparative, not objective, size and control is the starting point of the consideration A million dollars in some precious rare metal may give more dominance than $100,000,000 may provide in making automobiles Seventy per cent of movie ownership by five companies may be enough to wipe out all effective interplay of supply and demand A single newspaper in a certain area may not spell any violation of anti-trust laws

The most the law can do is to prevent the buying or selling end of the market place getting too far out of line. But by inaction the government distorts the market. It must act not only as a shield but also as a spear for freedom.

### COMMUNICATION BOTTLED UP

In the three major fields of communication—press, radio and movies—we now have had a series of recent decisions by our highest courts condemning in strong language the unbalancing of these market places of thought.

In the movie field, after a series of cases scolding the major elements of the industry, the court took a look at an attempt of a chain of theaters in Tennessee to wipe out all independent theaters. In that pursuit the chain was helped to no little degree by the large motion-picture producers. The product of an independent producer could not get into Tennessee except under burdensome and unfair conditions. The Supreme Court broke up the Tennessee chain. It was urged by the Tennessee

exhibitor that he was powerless against the big producing companies unless he could increase his buying power by gobbling up other theaters. The court, in effect, said it might be that something should be done to destroy the overwhelming power of the movie giants, but surely we should not wait to destroy the Tennessee monopoly until such time as the producing monopoly is purged. And now at this very time the government is proceeding with great energy against the eight movie companies—that all too small group which owns the distribution system of the United States

In the radio field the two largest networks were equally spanked The Federal Communications Commission held protracted hearings, and issued a monopoly report. This report was not much mentioned in the press or on the air. We have not enough networks or press associations to let this kind of item find its way into the arena of public debate The networks refused to allow a debate of the issues involved in the report. The leading officials of the major networks testified, however, that freedom of the air was finished and that networks could not function with profit if the proposed regulations were adopted. The case went up through the courts The Federal Communications Commission was sustained The networks prospered as never before. The calamity prophets of the mighty in radio now seem to be men without vision or schemers trying to scare the government into transferring complete ownership of the ether to the two networks involved.

The Federal Communications Commission had laid down some simple conditions. No one corporation should be allowed to own two networks No one licensee should be allowed to own two stations in one town. No network should by contract be allowed to own the program time of affiliated stations.

There was no public debate, in democratic terms, for the proposals dealt with media of communication and such media—at least all those which had large audiences—were intent on keeping any such debate away from public consideration.

But the Supreme Court spoke up, in the radio monopoly

regulation case, sustaining the Federal Communications Commission In the dissenting opinion we find a statement with which the entire court agreed

> In the dissemination of information and opinion, radio has assumed a position of commanding importance, rivaling the press and the pulpit . . because of its vast potentialities as a medium of communication, discussion and propaganda, the character and extent of control that should be exercised over it by the government is a matter of deep and vital concern

This was not censorship There was no desire of government to censor program content The case involved solely greater diversity of ownership of broadcasting The big boys in the game naturally wanted no more competition.

Following the radio and movie cases we find the A P. urging, under the gospel of a free press, the right to bottleneck the news market place. The A.P is really a combination of an extra-governmental nature, prescribing rules for the restraint of interstate commerce.

In the A P. case the Supreme Court sustained the decision of the court below, in which Judge Learned Hand wrote:

> However, neither exclusively nor even primarily are the interests of the newspaper industry conclusive, for that industry serves one of the most vital of all general interests—the dissemination of news from as many different sources and with as many different facets and colors as is possible.
>
> That interest is closely akin to, if indeed is not the same as, the interest protected by the First Amendment, it pre-supposes that right conclusions are more likely to be gathered out of a multitude of tongues, than through any kind of authoritative selection To many this is, and always will be, folly, but we have staked upon it our all.
>
> For these reasons, it is impossible to treat two news services as interchangeable, and to deprive a paper of the benefit of any service of the first rating is to deprive the reading public of means of information which it should have, it is only by crosslights from varying directions that full illumination can be secured

Justice Black, in the decision of the United States Supreme Court, used the following language in his landmark opinion

> The net effect [of the A P. restraints] is seriously to limit the opportunity of any newspaper to enter these cities Trade restraints of this character, aimed at the destruction of competition, tend to block the initiative which brings newcomers into a field of business and to frustrate the free enterprise system which it was the purpose of the Sherman Act to protect.

And further in relation to the need of diversity

> It would be strange indeed, however, if the grave concern for freedom of the press which prompted adoption of the First Amendment should be read as a command that the government was without power to protect that freedom. The First Amendment, far from providing an argument against application of the Sherman Act, here provides powerful reasons to the contrary That Amendment rests on the assumption that the widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public, that a free press is a condition of a free society Surely a command that the government itself shall not impede the free flow of ideas does not afford non-governmental combinations a refuge if they impose restraints upon that constitutionally guaranteed freedom Freedom to publish means freedom for all and not for some Freedom to publish is guaranteed by the Constitution, but freedom to combine to keep others from publishing is not. Freedom of the press from governmental interference under the First Amendment does not sanction repression of that freedom by private interests The First Amendment affords not the slightest support for the contention that a combination to restrain trade in news and views has any constitutional immunity

There no longer can be any doubt about the increasing concern of the Supreme Court as to the monopolists of thought Few industries have been so thoroughly castigated by high judicial officers as have the press, movies and radio

In these cases, and others, preceding or collateral thereto, we have made slow but great philosophical strides. Motive of

aggrandizement, fairness of practices of the monopolists, economic need of domination in order to survive are all increasingly immaterial We are concerned with the right of the consumer. And in our society the most important consumer goods are those sold by press, radio and movies.

I take some pride in the fact that, as far as I know, I first injected into documents for court perusal the theory that since the constitutional rights of the receiver are even more important than those of the utterer, diversity of opinion is essential if we want to continue to give meaning to our Bill of Rights, and no matter how we may feel about monopolies in hairpins or soap, the commodity which goes to the mind deserves and must be handled on a higher standard than that applied to all other merchandise. Material protected by our First Amendment is the preferred merchandise of our society

It is interesting to note how long those who control media of communication have been allowed to proceed with their increasing concentration of power without governmental interference. As far back as 1915 Judge Brandeis pointed to the evil consequences of monopoly of thought, in the case of A.P. vs. I.N.S.

The movie case against the Big Five was started in 1938 It is not near the Supreme Court

A gap of five years occurred between the start of the Federal Communications Commission inquiry into radio monopoly and the final decision of the highest court.

But at long last we are learning that failure of the government to act can be as detrimental to the rights secured by the First Amendment as an act of positive interference. Twenty years ago Justice Stone pointed out in a case in the Supreme Court—involving a law to protect apple trees from a cedar tree germ—that the failure of the state to take action in behalf of the owners of apple trees would have been tantamount to its taking action on behalf of the owners of cedar trees. The owners of press, radio and movies favor inaction on the part of the government because by inaction those in the saddle can further

act to control the market place. Hence, inaction deprives the public of its right to hear, see and read. We need governmental offense as well as defense in the pursuit of liberty. The battle involves a way of life and not just named individuals.

Those men who own our minds are not evil persons. They are men of energy and vitality and ingenuity. They suffer from the sole disease of capitalism—the germ which may destroy free enterprise. While shouting free enterprise, they urge the right to destroy the enterprise of all save themselves. They are for freedom of competition for little people in all industries but their own. They chant in monotonous rhythm the dangers of governmental censorship, never realizing that the path of monopoly leads directly to government ownership. They are wise enough to see that the people will not allow uncontrolled extra-governmental groups to monopolize the market place for gas, water, electricity or even milk. They know that whenever a market gets too tight the public demands regulation. The concept of "public utility" should scare the wits out of owners of radio, press and movies. History should teach them that they are going down the monopoly road to "public utility" street. But for some odd reason the zeal for getting bigger and bigger has a self-blinding effect.

I do not ask that heads of dominant businesses be brave enough to realize that mere size has dinosaurial defects. They acclaim the virtues of competition—it keeps people on their toes—and they go out and buy up the only competing newspaper of the district. Unless we wake up we will soon find that less than 100 cities have competing newspapers. Heads of the movie industry boast that their pictures are the best ever made, but play safe by buying up the main theaters of a town so that if by chance one of their pictures is not so good, it still can be shown. I don't mean exactly "can be shown." Rather that the public will have no choice but to see that picture. If they don't buy the theater they tie it up with an exclusive franchise. The air is bottlenecked through networks of dominated local stations.

The only limit to such aggrandizement is the will of the people expressed through courts and legislatures. Giants forget the qualities of humility and self-restraint. The bigger they get the less there is any chance of public criticism. So they run wild in their efforts to close the markets Competition between three giant newsgatherers is not necessarily the acme of competition That five movie companies struggle against each other spells—not a free market, but a limited policy of dog eat dog. Four networks may envy each other but more than four groups should have access to the public ear.

### THERE ARE NO DEVILS

Knowing that these are not problems of individual personalities I have tried sincerely to avoid appraisals of the thirty or forty men who own the main access to America's mind. I have been urged to write this volume in terms of Sarnoff, Paley, Noble, McCosker, Reid, Sulzberger, Howard, the Cowles, Gannett, Field, Knight, the Pattersons, McCormick, Hearst, Perry, Ogden, Mayer, the Schencks, Odlum, Rubin, the Warners, Balaban, Luce, Wallace, to mention most of the important originating persons now in the saddle Circuit theater owners like Shine, Sudekum, Griffith might be included, as well as Eastman, producer of raw film stock, and several key patent holders and apparatus manufacturers.

I am not here interested in these people as people. Nor do I care how they got their power—inheritance, ingenuity or through banker selection By and large they are as decent, fair and wise as our present negligent democracy deserves They differ among themselves on many issues. They are all heads of such vast empires that it is only natural they should be less adventurous than the small operator who has no great capital to lose Moreover, some of them have so many employees under them that they are remote from the man on the park bench or the girl in the theater balcony

Many of them I consider friends of mine They know I agree with them in their individual, unrestricted control of their own

media—right or wrong, wise or foolish. My complaint is that there are too few owners for 138,000,000 people, the proportion is unsatisfactory.

For the purpose of this volume I care not whether one of these pipeline owners is left or right, conservative or liberal, weak or strong Let them be malicious, from my point of view, provided only there is enough opposing malice flowing into the market place.

But whenever some of these giants agree with my thesis in favor of greater diversity they nod and say, "Nothing can be done to stem the tide This is the sweep of progress." Thus do rugged individualists revert to the gospel of fatalism and inevitability. Once in a while a movie magnate will agree that the radio bottleneck should be investigated, for certainly we have to do something about the power of the four men who own the networks And the network men will rail against the press because of its ability to discriminate against a competing broadcasting station in favor of the station owned by a newspaper. From the great movie giants I have heard no eagerness for expansion of the democratic pattern except for one company which has stated that the United States might be better off if no producer was allowed to own a theater.

The question is How far has the monopoly trend gone and what dangers are we facing? Let us look with pride at the record of our inventive genius and the zeal which gives us quantity production of radio programs, movies and papers. But let us not blindly worship the three gods of Quantity, Size and Mass. Variety, Selectivity, Variables are also important in a dynamic democracy.

With 2,600 dailies a few years ago are 1,700 enough today? How many will we have in 1960?

Five movie companies own 70 per cent of the movie income of the nation. Will there be only three in 1960?

Four networks have control over two-thirds of the radio stations of the nation. Will they control more in 1960? Will television and F.M go the same way?

In what direction are we moving? Is there anything in the record to indicate that the destruction of small merchants in ideas will diminish in the next decade?

These and other queries first occurred to me about five years ago. I looked over the literature. I found very little. Huettig's book on the movies, Lee's great contribution, *The Daily Newspaper in America*, the writings on radio of Clifford Durr and James L Fly, a few government reports and the records of many law cases. The industry associations either have no data of trends of ownership or have refused to make them available.

We have in many places and in many fields practically no market of thought left—worth calling a market in democratic terms. It's still a market infinitely richer than that of any totalitarian society But we cannot afford to take pride in that comparison or to see it shrink farther. We cannot afford not to expand it Our fight is for a way of life and not a battle against a few individuals.

The devil in this story is our own acceptance of fatalism plus one basic neglect. We have not only allowed these markets to get tighter and tighter but we also have failed to demand of our press and radio that the facts of their own monopolization be told to the American people. Even proceedings by the government in law suits against the monopolies of the A P., the major movie companies and the radio networks get less play on most radio stations and in most papers than do picayune, insignificant crime stories or similar monopoly charges leveled against aluminum, steel or meat. For example, few people know that radio without "commercials" is economically possible and has been urged in Washington before the F C C for months This is also quite natural. Maybe it is asking too much for the press to report objectively on the claimed evils of the press. The heads of the radio networks emphatically refused in writing to allow even a forum discussion on the air of the famous F C.C. radio monopoly report.

My publisher friends query, "Would you ask a cigarette

manufacturer to insert in his ads a decision of the Federal Trade Commission condemning his products?"

I deny the analogy. These three media are and at times claim to be *trustees* of freedom of thought. They should act like trustees and tell their beneficiaries–the people–the story of the narrowing bottleneck to the market place of thought

I have talked to many of the leading publishers and editors urging them to take stock of the problem Only one network has allowed any debate of the issues. I have discussed this material and my proposed solutions with more than a score of United States Senators All but two agreed that here is an issue of major importance I write this book in the hope of stimulating further Congressional discussion, for we cannot be saved by judicial decree alone.

In the three following chapters I have shown statistically the evaporation of our press and the concentration into too few hands of all three media The danger is clear to those who read these figures. There are literally hundreds of measures which will occur to any thinking person as to what to do about it all I have listed in the final chapter in very brief form some of the answers No one piece of legislation will do the trick No one lawsuit will give the relief we deserve Each industry has separate problems and requires different treatment. Nor are these three groups all there are to the tale Books and magazines are more than tangential influences Another book should be written to trace similar trends in the theater, music and other fields of human expression, which I do not discuss

# *CAUTION!*

It cannot be stressed too strongly or too often that the figures given in the three following chapters—on the newspaper, radio, and motion picture industries—are not definitive figures. There are many highly reputable sources of statistical information on these fields, but their reports vary widely. For example, the two major sources of published information on daily newspapers are the *International Year Book*, published by *Editor and Publisher*, and the N. W. Ayer *Directory of Newspapers and Periodicals*. They seldom agree. In 1930 the Ayer *Directory* listed 2,219 daily newspapers, *Editor and Publisher* in that year showed 1,942. The difference is substantial—277, or 12 per cent. Ayer figures are higher because they include trade, legal, and financial papers. I have generally used Ayer figures because Ayer is the oldest continuous source, and because the higher figures present a broader base. In radio and movie similar disagreement among reputable sources exists. Moreover, as to many of the facts, changes will occur, between the date of writing and the date of publication. The tides of events in these three fields are rushing along and to be up to the minute in book form is humanly impossible.

This book aims to point out general trends. I am convinced that no figures can be produced to contradict my statement of these trends, but I am fully aware that many *different* figures can be produced. There is a great need for definitive statistical information on the communications industries. The industries themselves either do not have such information, or have been unwilling to make it available.

Finally, my adherence to free enterprise in thought has been a matter of development, over years of professional relationship to the problems involved. I think I have been objective. In my professional relations I have certainly left no doubt as to my fears of monopolies and giants.

## Chapter IV

# PRESS *

Words in print have been sacred for centuries They possessed the mystic advantage of rarity. In printed form mankind read the words of apostles of differing gods or the decrees of worshiped royalty

In more recent times words in print were the vehicle of man's rebellion against tyranny We grew up under the marching song of Milton's *Areopagitica.* The First Amendment to our Constitution accents freedom of the press

We in our society invented invention and had a passion for quantity. The great expanse of our acres led to fabulous large-scale dreams Literacy and the printed word peppered the land. But of late we have come to realize that the dinosaur lost his hold on life because he was too big and the vast size of his body did not compensate for his fist-sized brain He lived outside the arena of competition So he died.

The printed word affects all our lives Ideas in print determine installation of sewer systems in towns, the acceptance or rejection of Lend-Lease, and even the kinds of hats our women wear. Printed words are the basis of our judgments They color our lives

A shrinkage in numbers of newspapers in any city or town results in a lopsided life for the readers Monopoly is always evil, but an area dominated by a single publisher is less than alive and democratic The power of the only publisher in a com-

* Research on the press was done by Elisabeth Broome, who began her study of American journalism at New York University, and has since served on *Newsweek* and *The American Press* Miss Broome has just completed a study of domestic and international communications for the American Civil Liberties Union Statistical studies for this chapter were made by Terry Turner, Sarah Lawrence graduate who majored in statistics, economics and history. Miss Turner's experience includes the preparation of statistical analyses for various housing and consumer groups

munity is too great for a free people to allow. Concentration of power in newspaper circulation, if nationwide, is totalitarian—no matter who the publisher may be. Partial or full monopolies of the press even in small areas produce totalitarian ways of life. And, as we shall see, it is no answer for the press to say that radio supplies the diversity of opinion which people need.

The record of decline of newspapers, the concentration of ownership and the elimination of competition is shocking. The democracy of the printed word has contracted under our eyes. This dismal story, provable in facts and figures, is set forth in the following pages. Every time another city was recorded as a one-newspaper town the readers were directly affected. Our efficient economy, high standards of living and great ingenuity did not make such conditions inevitable. Regretfully we must admit that our government failed to provide the legislation which would have permitted thousands of daily newspapers and weeklies to survive in a free competitive market place. At present and for years past our government, by action and inaction, granted untold advantages to the giants of the press.

### OUR EARLY GAZETTES

The story of the growth in number of American newspapers since the ill-fated single edition of *Publick Occurrences Both Foreign and Domestic* in 1690 is a thrilling one. In the colonial period the press was forced to struggle against authoritarian control, limiting libel laws and great physical difficulties in publication. This is a colorful tale in itself. I do not attempt to tell this whole rambling story, but a few facets may give the feel of the great eras of our expanding press.

In our early days democracy was operating in the main in local districts vis-a-vis local problems. People felt strongly about the development of their cities and towns. National issues were painted with a big brush but created localized reactions. Publishers were crusaders, not just men who happened to go into a business called publishing. There were very few owners of newspapers by inheritance. There was little pretense of being

objective. No publisher was likely to say, as the present custom is, "We don't vouch for the truth or accuracy of this column but we think it will entertain our readers." Most editors were minor Tom Paines ready to horsewhip an opposition editor. The great first issue of our nation—Hamilton versus Jefferson, industry versus agriculture—was unaffected by advertising contracts. There was no national advertising. The bulk of a paper's income came from its subscribers, or its political backers.

Distances between communities were great and distribution facilities were inadequate. Until 1750 all presses had to be imported from England. In 1775 all the colonies together had only 50 presses.

Manufacturing did not really get under way until after the Revolution. The most troublesome shortage was that of paper. During the last ten years of the eighteenth century newsprint prices were roughly fifteen cents a pound, in comparison with our pre-war newsprint price of about two cents a pound. Typemaking was very difficult. A font of type cost about £300, which in present prices is much more than $1,200, and did not last ten years. But the cost price to the reader was about six cents for four pages. To be sure, the papers were newspapers and carried very little of our present entertainment pages or advertising. In fact, many of the early attempts were politically subsidized.

In 1790 there were only eight daily newspapers but, under the stimuli of peace, by 1800 the number had risen to twenty-four. In his truly great study of our press, *The Daily Newspaper in America*, Alfred McClung Lee points out that "the instability of early papers marked many for failure." Actually hundreds of the early ventures did not survive their first year. But by the beginning of the nineteenth century the increasing numbers of post offices (4,500 in 1820 from seventy-five at the time of the Revolution) and the spreading network of post roads had an obvious effect. The twenty years after 1800 saw daily papers almost double in number. (See Exhibit A, page 279.)

The first third of the nineteenth century was the heyday of political journalism and a period of lusty expansion for the nation and its papers. The purchase of the Louisiana Territory opened up a whole new field for journalism. Life was moving westward, steamboats were chartered to carry the mail, the first locomotive pulled twenty-six passengers thirteen miles, and inventions like apple parers and baby carriages indicated that some of the frills were coming into this stern colonial existence

By 1833 Thomas Hamilton in his *Men and Manners in America* made the following enthusiastic comment on our press "The influence and circulation of newspapers is great beyond anything ever known in Europe. In truth, nine tenths of the population read nothing else. . Every village, nay, almost every hamlet, has its press . . Newspapers penetrate to every crevice of the nation" It must be noted, however, that of our then 15,000,000 population only about half were literate Circulation must always be interpreted in relation to population *and* literacy

Early in the 1830's Benjamin Day inaugurated the era of the penny press He utilized machine-made paper and faster presses and many publishers were eager to follow his example Advertising revenue had begun to rise and few penny papers paid for paper and ink out of readers' pennies alone By 1840 the number of papers had doubled again.

The latter half of the nineteenth century witnessed even greater advancement than its bright beginnings promised The industrialization of our economy began to reveal itself—no less by the arrival of chewing gum, ice-cream sodas and soap in cakes than by the web of railroads stretching across our nation, or the extension of a national banking system

There were many discoveries of unlimited value to newspapers—particularly the telegraph. In Illinois alone, thirty papers appeared in the year 1845-6, after the government had *subsidized* the Morse telegraph wires The typewriter was patented in a practical form and the rotary press was invented. One of the great significant steps forward was the education of women.

As a result, many more women became newspaper readers. The arrival of incandescent lighting in the homes of the nation added greatly to newspaper readership. Postal subsidies gave a great boost to the press. In general, conditions were perfect for the mushroom growth of daily newspapers. That is exactly what happened.

In 1860 the total number of dailies was 387. The trend continued upward despite a Civil War tax (1863-7) on advertising income. By 1889 this number had risen to 1,610. The nation had about 86 per cent literacy in 1889. The circulation had risen to more than 8,000,000 copies a day. The spread of public education and a background of democratic living made us a nation of readers. Americans always showed keen interest in current affairs and the newspapers both stimulated and profited from that interest. But by 1880 the daily circulation of six cities—New York, Chicago, Philadelphia, Cleveland, Boston and San Francisco—equaled more than half of the nation's total press. The upward trend in number of papers continued, until there were 2,226 at the turn of the century. By 1909, the peak year of our newspaper diversity, the total had reached 2,600 with a circulation of more than 24,000,000, with only 70 per cent of our present population and with fewer persons able to read.

At the turn of the century industrialization was really hitting its stride. In 1901 U. S. Steel, our first billion-dollar giant, was formed. The keynote of the era was big business. The newspaper industry was becoming big business too. Hearst and Pulitzer were fighting each other in sensational pages and circulations soared. The Sunday paper, now firmly established in the American folkway as an entertainment institution, was born. Pulitzer correctly boasted that the *New York World* on Sundays reached more persons than did all the ministers of the entire state.

A story told by Frank Luther Mott in *American Journalism* reflects these times. Hearst hired Arthur Brisbane as managing editor of the *New York Journal* at a salary of $150 a week. Brisbane had been paid $200 a week on Pulitzer's *New York World*,

but Hearst agreed to pay Brisbane one dollar for every thousand papers by which he increased the *Journal's* circulation. In the midst of the Spanish-American War, Brisbane's salary rose to $1,000 a week. Mass circulation was the god of the business end of newspaper publishing. Editors were not unaffected.

### WE TURN A BAD CORNER

The decline of the press in numbers was not far around the corner. The chains started by Scripps, Hearst and Munsey cast a widening shadow Absentee ownership was on the march. Papers were owned and edited by people living remote from the problems which concerned the readers in their daily lives Moreover, the twenties saw innumerable consolidations of existing papers and a general narrowing down of diversity. And in urban areas particularly there was a tendency of larger papers to extend their spheres of influence over the surrounding territory, thus further eliminating actual or potential competition

It is essential to note that the decline of our press diversity did not commence in the depression years of the thirties, as commonly believed. Between 1909 and 1920 the total number of papers had dropped to 2,324, a loss of 276 papers, in 1930 it was 2,219, and by 1940 it had sunk to 1,998. This was a decline of 602 papers since 1909—nearly one fourth of all our papers. In 1909 New York, Pennsylvania and New Jersey reached their peaks in number of papers By 1929 these three states alone had lost 157 papers, dropping from 508 to 351—a recession of nearly one third.

We are still losing I should guess the industrial revolution has run half way in its course of decimation, unless we get on the job and save the market place of our press for fair competition. We must beware of "defenders" of the newspapers who proudly point out that in each decade fewer papers fold up than during the previous period All they overlook is that there are fewer papers left at the beginning of each period to be killed off.

Many newspapers were consolidated and bought up by

chains, not because they were economically unsound but rather because they were exceedingly valuable properties. To remove all possible competition was deemed worthy of large investments in return for future hopes of profits.

### THE READERS

We justly can be proud of the figure of more than 40,000,000 daily circulation of papers in the United States. We have an appetite for dailies But mere quantity is only one side of the medallion. Certainly no one would like to see even 80,000,000 daily circulation flowing from only half of our present—1945—1,300 separate newspaper owners. But that is what we are likely to get Moreover, the number of publishers must be read against increased population and growth of literacy It would obviously be ridiculous to say that our country must have more than 50,000,000 refrigerators, if that figure bore no logical relationship to the number of families who needed refrigerators In considering the press we would not wish to say, "There should be three times as many newspapers as there are today," unless there were some reasonable basis for that estimate I do not urge abundance for its own sake.

At the peak of our newspaper diversity—1909—there was roughly one newspaper for every 25,000 persons. (See Exhibit B, page 280 ) Let us take that figure as a socially valuable potential—even if some may urge that we really need many more papers than that—since it is our highest figure in the direction of an open market. Circulations, population and literacy kept on growing after 1909, while the pace of newspaper growth in numbers steadily declined. And when we look at the figures for 1940, we find there is only one newspaper for about each 50,000 persons. In other words, in 1940 only half as many papers existed in proportion to the population as there were in 1909.

Coexistent with the tremendous decline in number of papers there was a great increase in readership It is a familiar fact that the evening paper brought home by father is read by most of the members of the family. Actual readership figures, thus, are

much higher than circulations would indicate. A recent survey conducted by the Bureau of Advertising revealed that an average of 2.5 adults read each copy of a weekday newspaper The Bureau considered this a conservative figure, pointing out that it does not include the large number of readers under twenty-one Moreover, the number of readers increases wherever competing newspapers exist. A two or three newspaper family is not a rarity. Many more persons read many fewer papers.

But our pride in mass consumption must not be applied to the press as we would apply it to toothbrushes or automobiles. Surely everyone agrees that a monopoly of toothbrushes affects price to consumer and eventual inferiority of product That is the evil which leads us to favor free enterprise. But with papers, price to consumer is hidden through advertising Inferiority of product is inevitable, if we really believe in the democratic competitive market place theory as against the totalitarian gospel.

### A CONTRAST

The significance of the drastically reduced diversity of newspapers in America is thrown into bold relief by an examination of the situation in two countries which, before the war, had democratic high levels of diversity Neither Norway nor Denmark is a highly industrialized country, yet before the war each had roughly one paper for every 12,000 persons. Of course, Hitler changed this very quickly because he well knew the impossibility of imposing totalitarian government on a people who had retained a free press.

The circulation of Danish papers provided two dailies for every household In Norway every family read at least one daily paper. With a population of 3,000,000 it had 240 papers with circulations from 3,000 to 100,000.

One of the first acts of the Nazis in Norway was to place extensive advertising campaigns in the Norwegian papers But by July, 1943, the number of papers had dwindled down to eighty Two thirds of the Norwegian papers were killed off

by the Fascist regime. We kill ours off as surely by governmental inaction.

Mr. Torolv Kandahl, former president of the Norwegian Press Association, commented that a city in Connecticut he had visited formerly had several dailies. Now there is only one. Persons to whom he talked had observed that they would like to see an opposition paper but didn't know how to get one started Mr. Kandahl said he was all too well aware of the threat to our democracy arising from the growing number of one-newspaper towns, and could only be amazed at the indifference he found here

On the other hand, there is the story told by a Reuter's dispatch of March, 1945. Under the Fascist government in Rome eight dailies served the citizens. Allied occupation brought a heartening change. Twenty-one dailies were being published at the time of this report—not counting four service papers for Allied troops—and four more authorized to appear.

Surely Rome is better off with the thirteen additional daily papers, even though the total circulation might have declined—which it didn't. Surely our concern for competition and diversity of information should not be directed solely at foreign lands where we have an obligation to help restore free enterprise.

## CIRCULATIONS

"Daily Circulations Gain 3 3% to Hit New Peak," exults the headline of the lead story in *Editor and Publisher* for December 30, 1944. The story points out "It is significant that circulations increased during a period when newspapers felt the full impact of wartime newsprint rationing, with its drastic restrictions."

The reason why newspaper circulations soar in wartime is clear Poignant interest in war news sells more papers But newspaper circulations jumped ahead most in the period between 1910 and 1933, when the over-all number of papers was declining. This does not mean that the increase would not have been still greater with the increase of papers. The advent of the so-

called sensational journalism swelled newspaper readership. Newspapers began to supply all kinds of extra services and features which attracted readers—women's pages, advice-to-the-lovelorn columns, hints on etiquette, advice from doctors, comic strips and lessons in bridge. Crossword puzzles and astrology were also good bait.

In the early part of the twentieth century the circulation manager came into his own. The dailies planned their own routes of distribution to combat the influence of wholesale newsdealers Some of the more stable papers eliminated the privilege of dealers to return unsold copies. A McC Lee says that this action was influential in reducing the number of newspapers in a city: The fewer separate papers a dealer chose to handle, the easier to gauge his needs accurately.

In New York during the twenties a new system of distribution was developed which has grown in power The individual newspaper formed an independent organization handling all or part of its own distribution and allotted the balance by zone to another independent agency. Methods of distribution were further crystallized by the Audit Bureau of Circulations, with its requirement of reliable circulation reports

It is difficult to separate cause and effect when considering the relationship of the decline of papers to the increase in circulations. A paper can, by increasing its circulation from a strictly urban to a suburban coverage, for example, crowd out smaller papers in the surrounding area. When one paper scores unusual success with new features or a concerted drive for increased circulation, other papers may suffer a loss. A firmly entrenched paper with almost-saturation-point circulation may make it impossible for a new paper to be started in the region, although I doubt if man is ever wise enough to gauge the future points of saturation The high cost of entrance to the Associated Press, or even the inability to join because of the right of a competitor to blackball, limits the field.

We see cities of 100,000 or less with two or more dailies and at least one city of more than 500,000 with only one paper.

Such examples negate entirely the usual argument of publishers that the number of papers is limited *solely* by the economic capacity of a community to support more than one paper. Obviously there are other factors, including artificial limiting obstacles which I shall refer to hereafter.

In 1880 more than half the daily papers in the nation fell into the group with circulations from 500 to 3,000, in 1943, according to Ayer, nearly one half the papers were in the 3,000–10,000 group The only papers, by size, which have not shown a trend toward increasing circulations, but which have shown strong decimation over the past thirty years, are those with circulations between 500 and 3,000. (See Exhibit C, page 281 )

So many prosperous papers are in this group that it cannot be argued that there is a fixed, definite, minimum circulation point of newspaper efficiency below which economic existence is impossible Some of these small papers make substantial money for their owners, although in the main small papers are supported by supplementary income from job printing and so on In many cases we still find selfless devoted publishers, leaders of their communities, treating their papers as true trusts for the people of the community, sacrificing profits for public service.

Despite the general trend toward rising circulations, the lion's share is still held by a small fraction of the total number of papers. Fourteen owners (eighteen papers) control 23 7 per cent of the total daily circulations. In other terms, about 1 per cent of all the daily papers have roughly a quarter of the circulation pie And in the Sunday field this disproportionate control is even more apparent. Nineteen papers (3 per cent of all Sunday editions) own nearly one half the total Sunday circulations These figures alone indicate the seriously alarming degree of control of the press of the nation. I think it entirely likely that less than 3 per cent of the papers will soon account for close to half the total daily and Sunday circulation of the nation.

ONE-PAPER TOWNS

One of the ugliest impacts of the decimation of our daily press is found in the number of towns formerly with several dailies which now have been reduced to only one. These one-paper towns are now the overwhelming majority of communities which have any daily papers This is very important in terms of community living. How easy is it, for example, to press for local reforms in a town where the only paper supports the local administration? How do you elect a mayor, a new school board, or debate the problem of parks and playgrounds? What price democracy in such an area? It is no answer to say, "Turn on the radio." We shall see later how the radio and press by joint operations still further tighten the bottleneck.

The best of newspapers reflect the publisher's opinions A great editor, E W. Scripps, once said "Humanity is vulgar, so we must be vulgar. . . . It is passionate, therefore, the blood that runs in our veins and in our newspapers must be warm." His successor, Roy Howard, in 1912 declared, "I do not subscribe to the general idea that news and opinion are two different and easily separated elements." With consistency he asks for *his* kind of bias in *his* papers

Under our philosophy of a free press each publisher has a right to be wrongheaded and even malicious That is our creed —and we are safe adhering thereto as long as there are enough different wrongheadednesses in the market

That is as it should be. But suppose you live in a single-paper town and you want to get across to your fellow-citizens a set of ideas different from those of the newspaper owner. How do you go about it, in these days when handbills and soap-boxes are less than effective means of communication? "Go hire a hall" is no longer a sensible answer

Democracy grows on local vitality. The democratic strength of a nation is truly no greater than the sum of the democratic strength of the innumerable local communities To the extent that cities and towns are dominated by single instruments of

opinion, we invite further concentration of national power and national action. A grassroots democracy lives mainly on grass-root mental soil—local debate, local concern, local conflicts of thought. There is no healthy national debate that does not stem from innumerable strong local debates.

The total number of one-paper or singleton towns, as opposed to those with a diversity of papers, has *doubled* in the period from 1910 to 1939. (See Exhibit D, pages 282, 3, 4.) While population increased by 43 per cent in these years, the number of towns with only one newspaper also grew by 43 per cent. We are traveling fast in the wrong direction. This threatening trend takes on a much blacker hue if one looks not only at the decline of newspapers but at the chain newspaper situation. Moreover, newspaper ownership is far less than the number of newspapers. There are at most only 1,300 newspaper owners today. Ten entire states have no cities with newspaper competition.

Only one state, New Mexico, had greater newspaper diversity in 1939 than in 1910. In 1910 there was only one town with more than one paper. In 1939 there were four such towns. Actually, since the total number of towns having any daily papers had doubled (population increase of 62 per cent), there was only an over-all increase of 10 per cent in diversity for the state.

On the dark side of the ledger, to cite one striking example from many, there is Nevada, which started out in 1910 with 86 per cent of its towns having newspaper diversity. By 1939 not a single city could boast two dailies.

There are interesting sectional variations which are difficult to explain. It can be generally stated that industrial areas show a much higher rate of disappearance of dailies than do agricultural areas. In the large cities with metropolitan papers, replacement is much more costly and, therefore, improbable.

The greatest rise in number of singleton towns (as opposed to multi-newspaper towns) occurred in the North Central states, which had an increase of 144 per cent. Percentages of

increase in one-paper towns for the rest of the country are as follows: Pacific Coast, 129 per cent, North Atlantic, 90 per cent, Western, 86 per cent, South Atlantic, 80 per cent, South Central, 46 per cent.

If the proportion of towns with more than one paper had stayed the same in 1939 as it was in 1910, there would be 987 towns with more than one paper. Instead we find only 203. (See Exhibit E, pages 285, 6, 7.) This is a loss of 784 towns, areas which, on the assumption of 1910 actual diversity of daily newspaper competition, now find themselves with a monopoly That loss does not even take into account the literate population increase which would justify exceeding the 1910 level of diversity.

There is one important economic explanation for the startling increase in the number of cities which dropped from two papers to one. In many of these towns there was a morning paper published by one publisher and a separate, unallied evening paper. It was often more practical, since the cost of equipment was so high, to print both papers at the same plant, even though separate staffs were sometimes maintained In very many cases this process resulted, sooner or later, in one of the publishers buying out the other. The result was a morning and evening edition of the same paper, or where this seemed unfeasible, only one edition.

It is often said that to urge many more newspapers is unwise, on the theory that this results in economic instability which in turn produces a corrupt press, like the French press before the war. It is true that a newspaper on the edge of bankruptcy might be more easily corrupted than a solvent paper. But today there is no way of judging how many papers could be supported by a local economy. In the first place, under present laws economic restrictions existing by newspaper contracts make it so difficult to start a new paper that a test cannot be made Secondly, a local economy does not carry the whole burden of supporting its papers. The cost of the American newspaper is increasingly borne through advertising by the purchase of other commodities, like soap and automobiles. This

national advertising cost is scattered to consumers all over the country. But one fact is apparent—concentration of newspaper ownership has little relationship to the economic income of a community. The main economic impact of multiple local ownership of papers is to compel combination insertion of advertisements, whether wanted or not, in all the papers of the combine.

### THE 92 BIG CITIES

The United States Census for 1940 lists ninety-two cities of more than 100,000 population in the United States In general these cities are the last strongholds of diversity in the newspaper field, because their populations are so large and their economies so secure as virtually to demand several papers But even in these large towns an examination of the figures brings out some rather startling facts (See Exhibit F, page 288.)

As might be expected, not all these cities had a population of more than 100,000 in 1910—these were picked on the basis of their 1940 populations. Their populations have risen 64 per cent since 1910, but the average number of papers per town then was four, while in 1939 the average number of papers per town had dropped to 2.6. That means almost 50 per cent less diversity in our large cities in thirty years as against more than 50 per cent increase in population If the number of papers in these towns had increased in the same proportion as did the population, there would now be almost three times as many dailies in these cities as there actually are And as a further limitation on the diversity of these papers, fifty-nine of the 239 papers in this group are chain papers.

Two cities of more than 100,000 population have no paper at all—Cambridge and Somerville, Massachusetts, because the people in these cities read Boston papers

Can it reasonably be maintained that our largest cities do not have more papers because they cannot afford to support them? The fact is that the financial obstacles to starting a new metropolitan paper are so great that under existing limitations few if any more persons will ever be able to afford to take the

risk. As Mark Ethridge, publisher of the Louisville (Ky ) *Courier-Journal* and the Louisville *Times,* has said, "The newspaper business has gone beyond the stage where a man with ideas or even brains can start a newspaper He must have money." To which I add—money in astronomical figures never to be inherited or saved by any individual under future tax laws

We must bear in mind that in 1939 the ninety-two cities did have an average of 2.6 papers per town—a record still considerably better than the average for the rest of the country But the trend even in large cities represents a shocking decline for them If you want to see the departure of the democratic process portrayed in a few figures, read this table·

| *City* | *Total Number of Papers* | | *No of Chain Papers* |
|---|---|---|---|
| | *1910* | *1939* | *1939* |
| New York | 22 | 11 | 3 |
| Chicago | 10 | 4 | 1 |
| San Francisco | 9 | 4 | 3 |
| Louisville | 5 | 2 | 0 |
| Des Moines | 5 | 2 | 0 |
| Spokane | 4 | 2 | 0 |
| Pittsburgh | 8 | 3 | 3 |
| Rochester | 5 | 2 | 1 |

Note Includes only English language dailies which carry a substantial portion of general news Two or more papers in the same town, if owned by one publisher, are counted as one paper Figures from N W. Ayer

All too often one would think that the ninety-two large cities were all there was to our nation. But still more important than the metropolises we find that the great mass of newspaper towns—those with populations of less than 100,000—averaged only 1.3 papers per town in 1939

TOO BIG

Economies urged as the excuse for all chain operations are also urged for chain newspapers—even though the consumer gets no benefit in lower-priced papers and it is doubtful if the reader gets any other advantages Some assert that even chain publishers permit some local autonomy and control over edi-

torial policies. Although I do not intend to go into questions which touch on content, I doubt if anyone could truly say that the large chain owners would permit any wide divergence of policy on many important issues This, even though at times—in presidential elections, for example—home rule is permitted, and in some cases the same syndicated columns are not always found in all the papers of a chain Where the chain owns a syndicate operation or a news service, it is not surprising that the material emanating from such interlocking sources finds its way with ease into the papers of that chain. The very argument for economies in a chain operation points to uniformity of use of material and the virtual boilerplating of much of the news, entertainment and editorial material Savings, if any, arise from repetition of identical thoughts Identical pots and pans is one thing Stamping out unvaried ideas has quite a different impact on our way of life.

National newspaper chains, which mushroomed in the early years of this century, seem at last to be on the downgrade This is sometimes pointed to as evidence of the "water seeks its own level" theory of economics—that is, that in time, bad features of the press as well as of other business will regulate themselves No doubt this theory is very comforting to those who hold it, but the fact is that even if we could happily look forward to the day when there would be *no* chains, that would not restore the newspapers buried in the chains' climb to power The scars of chain growth are still visible in any newspaper map of the nation

In 1900 there were nine chains controlling thirty-two newspapers (sixty-five chains was the highest number, in 1932) and in 1940, fifty-six chains controlled 296 papers. These fifty-six chains represented only 15 per cent of the total number of papers, but controlled roughly a quarter of the total circulations. At their peak the chains controlled more than one third of the total circulations (See Exhibit G, page 289 )

The six largest chains in 1940 accounted for almost one third of the total chain papers and nearly two thirds of the

total chain circulation These six chains alone represented one sixth of the total daily circulations in that year. Proud as we can be of total circulation figures, the concentration of one sixth into six ownerships is a subject for deep concern, if not shame. (See Exhibit G, page 289.)

Fourteen individual and chain publishers own a total of forty-eight papers and control about one third of our total daily circulations. This shocking bottlenecking exists despite the decline in chains.

Look at Pittsburgh, as a sample. This dynamic city has only three daily papers, all members of chains—one Hearst, one Scripps-Howard, and one a member of the Paul Block chain. There is no independent Pittsburgh paper. St. Louis, on the other hand, traditional city of great newspapers, does not have a single chain paper. Such intercity comparisons negate the argument that chains are determined by local economic stress and strain.

The present trend is away from national chains to state or regional chains But even this should give us little comfort. On a statewide basis West Virginia represents a frightening pattern open to imitation in other states In 1939 it had thirty-one daily papers. There were twenty-three towns with unallied daily papers. That means that two papers of the same publisher in one town are counted as one paper One chain now owns fourteen daily papers and one weekly in that state Thus, one man, for practical purposes, owning two thirds of the state's independent papers has an undemocratic control over the mind of West Virginia.

Where do we stop? Do we let one man take over all the papers in West Virginia or any other state before we believe that our freedom of press is endangered? What if he also owns local radio stations? Do we wait for other states to get into the same condition before we take action? How long should we wait?

### MUCH TOO BIG—MR. HEARST

If proof were needed of Judge Brandeis's theory that there is an optimum point of efficiency in bigness, then William Randolph Hearst's career is that proof. This story might well be called "Decline and Fall of an American Empire." The story of the collapse of the Hearst empire differs in one major respect from most spectacular big businesses which have not withstood bigness and time Usually the curse of the too big enterprise is its distinguishing overcautiousness. But that certainly could never be said of Mr. Hearst

In 1935 when *Fortune* magazine did a portrait of Mr Hearst and compiled a huge balance sheet of his financial standing, he was truly the publishing king of the world His total fortune was estimated at $222,000,000 He owned twenty-eight newspapers and thirteen magazines, totalling about 30,000,000 readers, as well as eight radio stations and two movie companies, a syndicate, a news service and other collateral operations touching on his and other papers

Mr. Hearst's basic policy was not to sell a paper even though it lost money. In 1935 he had sold only one paper in his entire career, the *Fort Worth Record*. As *Fortune* said,

> When a Hearst newspaper loses money the chief may simply toss in some more raw meat in the form of cash He may change editors, raise hell here and there, but the proposition is never abandoned, no matter how hopeless, so long as it gives him a voice.

That worked very well as long as the "raw meat" held out He had a strong voice for many years, growing in volume from his two papers in 1900 to twenty-eight in 1935. But only two years after this *Fortune* piece was written, the voice began to crack. Hearst killed the *New York American*—his second favorite paper—which for some time had been a steady drain on his resources. It was said that cutting off these losses "could have only a beneficial effect upon the market for securities which Mr Hearst was planning to sell."

Mr Hearst expressed his new policy, in a letter to *Editor and Publisher:*

> The newspapers that are favorites with me are the newspapers that are favorites with the public . Unsuccessful newspapers are a luxury which cannot be afforded and which one has no RIGHT to afford indefinitely

By 1939 six newspapers, one magazine, seven radio stations, and one news service had been sold or scrapped, rare art treasures had been sold and his fortune had been reduced to a fraction of its estimated 1935 value Mr Hearst, or rather his brain trusters, were very busy making both ends meet. He was said to want only part of his erstwhile empire to survive him and to retain his job as editorial director of his own newspapers There were many creditors, banks and newsprint manufacturers dominating the enterprise who wanted to hold the giant together a while longer.

This saga of the collapse of an empire, which on its smaller scale is again for the time being a financial success, is often referred to as an argument against being disturbed by monopolization or concentration of the press "See?" it is said "Overbigness does not pay. In the end it digs its own grave"

That may be true Practically all the giants of decades ago have gone into bankruptcy, or at least have been reorganized and split up. The list of century-old firms is made up of moderate-sized companies. But by the time a Hearst finds that bigness does not pay, he has dug a grave not only for himself and his employees but also for his readers Papers bought up by such chains are not sold when the chains break up More often we find that papers have been destroyed or eliminated through mergers. Papers, unlike truth, once crushed to earth do not rise again with ease I do not recall a single instance where two papers in a combination or chain ever were returned to separate ownerships.

I do not refer to Hearst because of his contributions, good or bad, to the press of our nation, but only as a means of answer-

ing the rather famous argument that we can let matters ride along, concentration comes to an end, it cures itself. It comes to an end, maybe. But the cost to the market place of thought is more than our democracy can afford and far more than we deserve if we are alert to the dangers.

In this section, as elsewhere, I make no judgment as to the ability or integrity of any publisher. Assuming total unanimous integrity and ability, the further decimation of the press is one of the foremost problems facing our fight against totalitarianism If the leaders of the press are willing to allow the people to be informed of this problem, we can readily find ways for regaining these lost pieces of our democracy

### THE NIXON ANALYSIS

Dr Raymond B Nixon, present editor of *Journalism Quarterly*, in the June, 1945, issue of that professional magazine published by the American Association of Schools and Departments of Journalism and the American Association of Teachers of Journalism, makes an outstanding contribution to the facts of press concentration His findings are so important and so clearly confirmatory of the trend I have described in quite separate and different figures that I asked his permission to recapitulate some of his material.

He also points to 1909 as the peak of daily newspapers, with a decline thereafter while circulation was climbing. He finds only 1,300 daily *ownerships* at present. In so far as there are variations between Nixon's base figures and mine they may arise in part from his use of *Editor and Publisher* figures, whereas I often used Ayers' We both used Lee as a necessary starting point

Here is what Dr Nixon finds.

1 Between the two wars (1918-1944) the total number of dailies declined 19 per cent while circulation rose 60 per cent.
2. During the same years the Sunday press fell off 4 per cent while its circulation rose 136 per cent.

3. From 1930 to 1944, while daily circulation rose from 39,000,000 to 46,000,000, a gain of nearly 17 per cent, the number of dailies dropped more than 10 per cent—that is, a decline of 200 papers.
4. During those years the actual number of paper suspensions was close to 30 per cent of the total—a loss of 576 papers. However, new papers, mostly short-lived affairs, cut down this loss of 576 to a net loss of 200
5. Of the 576 which disappeared, 165 were ended by mergers with other papers and subsequently dropped, while 135 were converted into tri-, semi-, or weekly papers. Incidentally, 449 of our present dailies have hyphenated names—one obvious indication of decades of mergers.

After proving the trend of decline of papers, he takes up the question of decline of competition in the daily newspapers of America.

1. In 1930, eighty-nine cities had a single owner running so-called competing papers By March 1, 1945, this number of cities had grown to 161. Of these 161 cities —without competition—Minneapolis had a three-paper common ownership and Springfield, Mass, had four papers under one publisher. In thirteen *additional* cities partial combinations of papers existed which made the papers less than competitive. Thus he finds 174 cities where combinations potentially eliminate competition Besides, there are twenty-three competitive cities where combinations exist and inferentially reduce competition.
2. The total number of cities having dailies, which was 1,460 in 1937, shrank by March, 1945, to 1,394, while the number of one-daily cities increased steadily from 1,002 (71 per cent) in 1930 to 1,103 (79 per cent) in 1945 Moreover, the total number of non-competitive cities jumped from 1,114 (79 per cent of total cities) in 1930 to 1,277 (91 per cent of total cities) in 1945.
3. Ten entire states have no local competition whatsoever, anywhere in the state.

4. Daily circulation in our nation is 40 per cent non-competitive—roughly 16,000,000 of our 40,000,000.
5. Only thirty-seven of the 413 cities which have Sunday papers have any local competition whatsoever. Twenty-two entire states have no competitive Sunday papers anywhere in the state
6. About 35 per cent of the Sunday circulation of the nation is non-competitive

Dr Nixon then hits the knockout blow "The most amazing fact is that daily newspaper competition has been eliminated from all but 117 American cities."

He then goes into an inquiry related to absentee ownership of our daily press.

He finds

1. Two hundred and ninety-seven, or 17 per cent of all dailies as of March, 1945, were absentee-owned—that is, the ultimate ownership appeared beyond any reasonable doubt to be outside the city of publication. The circulation of such papers is nearly 13,000,000 daily, which is about 27 per cent of our total circulation.
2. On Sundays the absentee-owned circulation is even higher—31 per cent of the total in the nation, representing 25 per cent in number of all papers.
3. The total number of chain papers as of March 1, 1945, is 368—or 21 per cent of the total of all papers.
4. Of the 370 chain papers, 121 are published outside the state where the ownership is located. There also are eleven papers edited by absentee owners of single dailies.

Dr. Nixon, carrying his studies right through the war period, more than confirms the trend up to the start of the war. He clinches the facts. He hits the newspaper public right between the eyes In effect he says Competition in the newspaper field has practically vanished The competitive market place of dailies is negligible. Monopoly of newspapers is the vogue. The facts demand solutions Are the publishers happy over the absence of competition from other papers? As a

people are we willing to admit that newspaper competition is irretrievably finished and that our main competition in thought in the future will have to be between press and radio?

Dr. Nixon reports for the period 1927-1942 after examining ninety-seven non-competitive combinations before and after the consolidations took place.

1. In forty-three instances the combined advertising rates after consolidation was lower than the sum of the two old rates.
2. In thirty-one instances it was the same.
3. In twenty-three instances it was actually increased
4. Hence, in fifty-four out of ninety-seven cases combination resulted in no advantage to the advertiser.

He then analyzes the 1941 report of the American Association of Advertising Agencies based on studies in nineteen population groups:

1. The advertising rate for 211 pairs of dailies, which sold space in both papers together but in neither paper alone, averaged in their forced combinations higher in every population group (except the four largest) than the rates of 1,334 papers where advertising was sold independently by each paper.
2. An advertiser who wants to buy 18,000,000 morning circulation must now buy an additional 6,000,000 evening circulation, which he may not want at all.
3. In the evening field the figures show a compulsion through combination sales to buy 6,000,000 morning circulation above a desired 28,000,000.
4. Thus the cost to the advertiser is increased by enforced sales 44 per cent in the morning field and about 13 per cent in the evening.
5. Of fifty two-paper combinations in 135 cities with 100,000 or more circulation, twenty-one pairs of dailies in 1943 practiced forced combination rates for both national and local advertising; twenty-one pairs had compulsory dual purchase only for national advertising; seven had

only optional combination rates and only one pair had no combination rates at all. Only five combinations in the nation, in cities where no competition still exists, did not have a forced combination rate, either national or local.

6. In two non-competitive cities where forced combination rates had existed in 1943 the papers had gone back to separate rates for each paper, with combination rates optional

On the basis of such facts Dr Nixon in deliberative but threatening terms declares

> Unless readjustments of this kind [point 6 above] continue to be made and unless post-war expansion brings a reversal of the trend toward one-publisher communities, it is possible that those who have been urging government action to maintain multiple outlets of news and opinion may find their ranks reinforced by an unexpected ally —the newspaper advertiser.

### THE PRESS ASSOCIATIONS

In practically every business in the United States the most violent proponents for unregulated competition come to the point where they really don't like competition. So they join with competitors to control the markets. In the growth of news-gathering we soon reached the stage where it became unprofitable for each paper to collect news for itself alone from the four corners of the nation and the world. Competition was too costly.

A pool, a cartel, a joint effort was called for But the leading newsgathering association was to be as "closed" as a union of workers; closed at both ends—closed union and closed shop. Trading on a highly protected commodity—news—the publishers organized a copyright pool, compounding the original monopoly of copyright into the severest monopolistic type of control But for the protection of copyright granted by the government, no such limitation of the market place of thought could have been attained. The mere property rights in news

would have been an inadequate weapon to prevent theft and competition.

The newspapers of the nation are serviced on an international and national basis by three main press associations: Associated Press, United Press and International News Service. Their relative statistical position in 1942 was as follows

| | | |
|---|---|---|
| A.P.. | Total Annual Expenditures | $12,986,000 |
| | Total Membership: | 1,247 Domestic; |
| | | 5 Foreign |
| U P.. | Total Annual Expenditures | $ 8,628,000 |
| | Total Subscribers | 981 Domestic, |
| | | 391 Foreign |
| I N S | Total Annual Expenditures | $ 9,434,000 |
| | Total Subscribers: | 338 Domestic, |
| | | 3 Foreign. |

After some preliminary maneuverings, a New York Associated Press was formed in 1848 to expedite the gathering of Mexican War news by sharing the cost of expresses and the telegraph line from Washington. In 1856 the New York A.P. members (The Harbor News Association) merged with the Telegraphic and General News Associations and drew up a list of regulations solidifying their practices. They provided that a new member could be admitted only by *unanimous* consent of the existing members. They ruled that members could not even receive regular dispatches from their own correspondents unless they made prior arrangements with the Association and agreed that these dispatches could be used by the other members

Here we had a perfect cartel of the press. This Association, by renewing such agreements, continued for many years. To this day the A.P., no matter what its form or organization became, has never departed from its original pursuit of monopoly and restraint

The growth of many new Western dailies led in 1862-65 to the formation of the Western A P. The number of dailies in the Western states of Pennsylvania, Ohio, Indiana, Illinois,

Missouri, Michigan, and Kentucky had grown from thirty-two in 1840 to 103 in 1860 A. M. Lee shows that the founders of the Western A.P were careful to outline principles closely resembling those of their Eastern brothers, strengthening these rules from year to year.

In 1867, after a brief but heated conflict, the Eastern and Western A P. reached an agreement. Not believing in competition as the spice of life, they divided their territories and made exchange news agreements, guaranteed the monopolistic privileges of each other and set up specified payments to be made to the New York A.P. for its very good foreign service. They also granted the Western Union Telegraph Company an exclusive contract in return for priority over its wires. No international cartel, dividing territories and carving out fields of operations to prevent outside competition, was ever established on a more solid anti-competition and anti-free enterprise base.

Rivals which were started from time to time by papers which could not receive the A P. bulletins were swallowed up one way or another. Washington news at times was supplied to papers without Association news service by correspondents, one of whom often represented several papers. Congressmen sometimes acted as such Washington correspondents for their home papers But the Associated Press by and large succeeded in limiting competition.

In his *History of Chicago*, 1885, A. T. Andreas wrote

"One of the direct results of the association is to make a closed corporation of the newspapers already existing in any particular place, and rendering it almost impossible to start a new newspaper that can compete with them, inasmuch as the newspaper cannot get the associated press dispatches without their consent."

A recent reorganization of the Associated Press, in 1927, created the Associated Press Feature Service This service offered daily feature columns, human interest stories, daily short stories, weekly foreign feature stories, and so on In 1928 the superior

A.P. Picture Service was established, first distributing the pictures by plane and then by telephoto.

The 1,247 domestic subscribers to the Associated Press number 81 per cent of the total daily papers and control 96 per cent of the total daily circulation. Of the evening dailies, 59 per cent receive A.P. service These papers alone own 77 per cent of the total circulation.

This cruel extensive grip on the market was coupled with an undemocratic method of control of this so-called membership, non-profit-making organization. There were two kinds of voters—bondholders and ordinary run-of-the-mill members. In 1942 ninety-nine out of the 1,247 members owned blocks of these sacred voting bonds to the extent of $1,000 or more, totaling more than 50 per cent of all the bonds The Supreme Court has found that the bondholder vote, rather than the membership vote, controls the selection of directors This unique type of minority control of the A P. is as undemocratic as any device ever unearthed in the S.E.C. investigation of utility holding company structures. The dominant 10 per cent of the members do not trust democratic processes, even in their own industry. This would not be so bad if the A P. had not frankly declared it was in favor of preventing free enterprise in news if possible.

Incorporated in Illinois, the A P. was soon jumped on by that state for restraint of news, because an existing member had an absolute veto power over the application of a publisher who was or might be a competitor. The highest court of Illinois was shocked by such restraint. The A.P., being less than a respecter of judicial process, became a "runaway shop" and moved out of Illinois to organize in New York. A few negligible relaxations of this restraint on competition were effected. But even under what the ninety-nine or less bosses of A P. thought to be generous streamlining, a new applicant could not enter the morning field in New York without paying $1,432,142 73, or in Chicago $416,631 90, as an initiation fee For evening papers the amount would be $1,095,003.21 and $595,772.31 respec-

tively. Nor was a mere offer of these tidy sums the end. You still had to be voted on and accepted into the sacred group which bottlenecked the news.

Such undemocratic operations—only recently gently disturbed by the United States Supreme Court—were so anti-social and unsound as to invite a crusader and a millionaire into the news-gathering field.

The Associated Press prospered. No small publisher could do it battle. It takes a giant to fight a giant. And two giants appeared on the scene—E. W. Scripps and William Randolph Hearst. Each of these men heading chain operations had a base on which a competing news or feature service could be established. But their fields of operation were limited at the thresh-hold, for the A.P. had imposed on its subscribers or members the obligation not to supply their own spontaneous news to any non-member of A.P.

E. W. Scripps formed the Scripps-McRae Press Association for evening papers alone in January, 1897. He fought affiliation with the Illinois A.P. because he wanted to be able to expand his own newspaper holdings. But he held to certain principles of a free market for news seldom if ever enunciated by a leader of the press since his time. His service covered the Middle West, and he formed the Scripps News Association on the Pacific Coast.

Scripps merged the Scripps-McRae Press Association, the Pacific Scripps News Association and the Eastern Publishers' Press Association in 1907 to form the United Press Associations, a commercial, profit-making, newsgathering agency. U.P. from the outset provided colorful coverage as opposed to the more or less routine handling of A.P. stories, and went in heavily for feature material. It made news exchange arrangements with foreign commercial news agencies and with individual papers, also maintaining its own bureaus in European capitals. At the time of World War I U.P. extended itself into South America, building a substantial list of clients there.

The other new rival to the Associated Press was provided

by another chain man on the way up—W. R. Hearst, who started out modestly after he took over the *New York Journal* by having his staff glean out-of-town news from other papers. As the Hearst chain expanded, this organization grew until it could offer service to other papers.

W. R. Hearst supplanted his previous news and feature services with the International News Service, in 1911, and formed a new agency—Universal Service—in 1918. Universal Service provided signed special articles on international events, financial developments, sports, and so on. His regular feature services—fiction, comics, pictures, and so on—in 1918 formed the King Features Syndicate, now the parent of that group of Hearst holdings.

I am sure that any restraint—even slight—in a field bottled into three mammoth controls is a matter deserving close scrutiny by the public and its government This is peculiarly true where the commodity dealt in is so essential to our democratic existence Above all we should not be content with the mild decree affirmed by the Supreme Court, for the A.P is still living in the last century when it claims that under the gospel of freedom of the press, readers through their government have no right to prevent restraint on the market place of thought

We have heard much talk lately about international freedom of information, not a little of which has been by the heads of the press associations. In view of the situation in America today, these pious and worthy hopes of reforming the world are a trifle ironic when flowing from domestic monopolists. In an article in *Life* magazine, Kent Cooper, head of A.P. who, according to *Life*, "for years has made world-news freedom a personal crusade," condemned the world-news cartel and expressed his hope for the post-war world. It is interesting to look back at past attitudes of the A.P. in regard to international news exchange. In 1880 J. W. Simonton, general manager of the A.P, said, apparently with some satisfaction, "By contracts with the great European news agencies, including the well-known Reuter Company, the Associated Press receives their news collections

from every part of civilized Europe, Asia, Africa and South America."

The A.P. severed its connection with Reuter's in the early thirties and Mr. Cooper has a fairly ingenious explanation for the part A P played in building up the cartel. He said, "By getting into this cartel the Associated Press kept Reuter's out of the U S. It agreed to receive Reuter's dispatches and Reuter's agreed to receive A P.'s. But the A.P discovered it was in unwholesome company."

Even this apology misses the point at issue A P successfully kept Reuter's—a competing agency—away from readers in the United States! It limited domestic competition and successfully limited diversity of service to our daily press Alcoa never closed the markets more successfully. According to Mr Cooper's definition the cartel would have been desirable if Reuter's had been "wholesome company" The A P has no philosophy against restraints other than the wholesomeness of its partners in the process of limiting competition.

A provocative though smarty answer to Mr. Cooper was made by *The London Economist* in its issue of December 2, 1944. *The Economist* said.

Mr Kent Cooper, general manager of the Associated Press and author of *Barriers Down*, is leading a crusade to incorporate a "charter of freedom for news and communications" in the peace settlements In an article in *Life* he demands freedom of access to news, freedom for agencies to compete or to exchange news and an end to preferential rates of transmission Mr Cooper, like most big business executives, experiences a peculiar moral glow in finding that his idea of freedom coincides with his commercial advantage In his ode to Liberty there is no suggestion that when all barriers are down the huge financial resources of the American agencies might enable them to dominate the world His desire to prevent another Goebbels from poisoning the wells will be universally applauded, but democracy does not necessarily mean making the whole world safe for the A P. In this, as in other post-war issues—such as civil aviation—commercial practices are habitually confused with such big words as "Liberty and the Rights of Man"

An amusing boomerang of the monopolistic agreements made by the news services was furnished in a comment by one of the top officials of the United Press, who said that U.P. would be delighted by a government suit against it It seems that when U.P. was started, high bait was necessary to attract first customers in various districts The bait offered by U.P. was an agreement with the paper involved that if any other paper subscribed in the district to U.P, then U P agreed to refund a portion or all of the excess fee to the original subscriber as a kind of reparation payment. Now that U.P. is firmly established, it would like to get away from these extra burdens, but obviously cannot breach its own contracts Hence, the lot of United Press would be vastly improved, and the market place would be to some extent made freer, if the government would bring an anti-trust suit against United Press to smash through the discriminatory provisions of these early contracts Surely all buyers of news should be on a parity, paying not on the "early worm" basis, or on the theory that size determines cost, but solely on the computations reached by translating actual costs of operations into charges made.

If the A.P. would pay some attention to the expansion of the market in the United States, it would be in a better position to lead the crucial world campaign to persuade all nations to remove the existing cruel barriers which prevent the free flow of news around our planet But the A P. was the leader in raising the "Wolf! Wolf!" defense of freedom of the press in the test of the Wagner Act and seems to have learned little about the need of conflict of thought. This is only natural, for the A.P. has suffered from the absence of public criticism Few legislators dare attack the press associations, comparatively few lines in defense of the government suit against A P ever got into the daily press and only recently the first radio debate on the subject of a free press in terms of economic controls was permitted on the air It is not surprising that A P. should be out of step with this era. Sheltered from criticism, it continues to use the monopoly of copyright to limit the market. All too

long it has befuddled its own operations and the mind of the nation by sailing under the halo of a so-called non-profit membership corporation, even though in reality its waste or efficiency reflects itself directly into the balance sheets of the member corporations.

I hope that A P. will soon sense the temper of the nation—a temper which doubtless will insist that the monopoly of property rights or copyrights shall be lost—at least in the fields affecting health, national defense and news—unless all purveyors in those businesses offer their wares to *all* buyers at a *fair* price and a *reasonable* profit. Without a grant from the people of the initial monopoly of copyright, A.P could not conceivably continue to treat "news" as if it were the shabbiest of merchandise. As one member of our highest court has declared, "Truth and understanding are not wares like peanuts or potatoes."

### SYNDICATES AND BOILER PLATE

Coincident with the increase of revenue from advertising, and paralleling the evaporation of the press, the violent evangelical inclinations of editors started to diminish In the main we see an avowed attempt to become fair, temperate, balanced in editorial positions and policies. Politeness became a vogue Personal bias was insidiously injected, not so much by distortion as by omissions For decades few newspapers have thought it dignified to mention—much less disagree with—competing papers. Whether or not the counting rooms took the heat off the editorial pens, or whether just because with larger circulation there was a natural tendency to feed the readers on the median plane of reader opinion, is unimportant from the angle of this book The significant fact is that with the dilution of feelings and crusades on editorial pages, the owners of many dailies still realized that our public enjoys the opinions of those who—right or wrong—feel strongly on a variety of subjects.

The features and editorials which were the pride of each local publisher gave way to syndicated material. It is urged by some that because editors now buy columnists who differ

from the position of the paper, we can and must trust publishers to be impartial in their selection of columnist material. I doubt if we really want to stake our great gamble of a free market place of thought on such a tenuous hope We would prefer the publishers themselves once more to become the leaders of public opinion—that is, to present widely differing attitudes

And now we find that the product of feature syndicates, columns, cartoons, comic strips, fiction, and so on, is an essential part of the modern daily newspaper. These items are circulation-getters, providing as they do entertainment and/or education. A M. Lee says that "a comparison of early weeklies or dailies with the recent product indicates that the old-time printer standardized his sheet about as well with his scissors as the modern editor does with syndicate copy."

That may be true with respect to entertainment features, since the early editor borrowed humorous material, for instance, with no qualms as to property rights, and this type of material, as long as the public is satisfied, is not perhaps too important. But the field of serious writing is a different matter The early editor wrote his own editorials on subjects he considered important, whereas today it is the syndicated columnist who spreads his views on everything to millions of persons simultaneously. And this is important, because to the extent that one columnist takes the place in the papers of America of hundreds of separate editorials, our diversity of thought is lessened. We have far less indigenously created material in our press today than we had thirty years ago. Few people are familiar with the names of a dozen editorial writers We are experiencing an era of editorial lukewarm anonymity

The first important kind of syndicate in this country was the ready-print syndicate, chiefly a service for weekly papers. Weekly papers bought newsprint anyway, and when one side of this newsprint contained ready-print material, it was cheaper for the local papers than having original material set in their own shops One of the most successful of these ready-print

services was started by A. N. Kellogg, who claimed to supply 1,000 country weeklies with syndicate service in 1875. But these early type-high plates offered little saving to dailies and the syndicates didn't make much progress in the daily field until the invention of the thin stereotype plate, a metal plate which could be locked for printing to a standard block. Material reproduced by this method came to be known as "boiler plate." The final step in syndicate reproduction was the invention of the mat—a papier-mache impression taken of the plate, later to be filled with metal and cast by the paper's own printers Mats are used today and are a cheaper and more efficient means of transmitting syndicated material than shipping expensive copper plates to subscribers

With the invention of the stereotype plate, syndicates began to get a foothold in the daily newspaper field. One of the first was the Scripps' private mutual service, becoming in 1902 the Newspaper Enterprise Association Magazine publishers like Edward Bok entered the field S. S McClure, publisher of the famous *McClure's Magazine*, started out as founder of the most prominent syndicate, after Irving Bacheller's, supplying the works of such writers as Kipling, London, Stevenson and Conan Doyle. Many city newspaper reporters wrote "letters" or columns for out-of-town papers and newspapers often sold rights to serial stories, etc , which they were running.

There was great competition in thinking up new kinds of feature material. The doings of the Four Hundred began to be chronicled at great length on Society pages and in the new Sunday supplements News of particular interest to women was played up, because department stores were on the rise and since their advertising carried weight, it behooved the papers to increase the number of their women readers Comic strips were innovated in the 1890's and these were seized upon by the syndicates

The Scripps Newspaper Enterprise Association (N.E.A.) was the first of the so-called budget services—an agency supplying a complete "budget" of features to afternoon papers. As this

agency grew, its clientele went far beyond the original Scripps members and the rate charged was a staple rate based on the newspaper's circulation. In the 1930's N.E.A. is supposed to have furnished about 100 features to 700 dailies.

The Hearst syndicates, represented by King Features as sales agent for all the Hearst feature services, innovated a new practice, which has become general. Hearst artists were put on a salary basis and Hearst often retained control of the feature itself, so that if a comic strip artist left the Hearst organization, for example, the strip stayed behind and another artist took over drawing it. The 1935 *Fortune* article on Hearst said that King Features sold more than 40 per cent of the $15,000,000 worth of syndicated material consumed annually in the United States. At that time King Features was supposed to service 2,200 papers.

In 1942 *Editor and Publisher* listed almost 200 news and feature syndicates. It is very difficult (according to *Editor and Publisher's* syndicate editor, "impossible") to tabulate the number of syndicates exactly according to the kind of features they sell. In the first place, one syndicate may sell news features, general features, photos, "home pages," and so on, ad infinitum. In the case of the Associated Press, for example, you would have to list a news service, a feature service and a photo service, all of which makes for considerable duplication. There are also a great many fringe "syndicates" in which there is considerable turnover, because a mushroom organization starting with one room and a desk and one column may pass out of existence very soon.

A. M. Lee says that in 1936 the existing syndicates, roughly 200, listed about 16,000 separate items. He continues: "The separate listing of units controlled by one organization makes these totals deceptively large. A group of 'trunk' services . . . continue to gain greater and greater control over the bulk of offerings."

An article in *Coronet* of August, 1944, gave the following figures on readership of four top columnists.

| | | |
|---|---|---|
| Walter Winchell | approximately | 25,000,000 |
| Walter Lippmann | " | 10,000,000 |
| Westbrook Pegler | " | 10,000,000 |
| Dorothy Thompson | " | 8,405,399 |

Obviously the number of ideas circulating in the market place is reduced to a fraction of what it would be, when one writer is read by millions every day. It makes no difference for this purpose whether the columnist is liberal, reactionary or conservative The vitality of local papers—hence the vitality of the American people—is diminished by the acceptance of any standardized set of ideas. Columnist syndicates are paralleled in the comic strip and other features which make up an increasing percentage of our daily press.

It has often been maintained that the columnist emphasis is all right since these people are free and independent thinkers, that as a result their opinions are more uncolored even than those of a newspaper editor because they are not bound by local obligations. Tom Wallace, editor of the Louisville *Times*, had something to say about that argument in the December 30, 1944, issue of *Editor and Publisher* Mr Wallace writes, "Syndicate columnists publish what their original publishers think—if they publish originally under newspaper auspices or they do not differ too widely with their publishers, or they beat it while their shoes are good " He went on to say that in the early days many out-of-town editors believed that they were bound to publish the columnist's words unabridged, that this placed the editing of the paper largely in the syndicate's hands And, continued Mr. Wallace, "when Roy Howard told the American Society of Newspaper Editors that he didn't cut columnists because of their opinions, but that he probably used 50 per cent of what was written by columnists he published, some of his hearers were surprised."

In 1930, a syndicate manager, F. B Knapp of the New York World Syndicate, made a very telling statement He charged, "It is the very sameness of the news as printed in our newspapers

that makes features of such prime importance. Much of the news today is standardized and it is the features, comics, cartoons and text that make a newspaper differ from its competitor." The larger the city the greater percentage of locally created columns and material we find and it must be noted that most of the syndicated material is created in New York City or Washington.

Even in the great metropolitan papers of New York City only about one quarter of the papers is given to printing news Of that quarter much is syndicated or received from press associations. The total of news and news pictures is only about one third of the entire paper. The features in the six New York City papers (See Exhibit H, page 290 ) add up to about one fifth of the total space. These features are less than the brain product of the owners or editors. The entire news, picture and feature portions of these papers add up to a little more than one half of the space, of which much is to be found in identic form in many other papers in other cities As for advertising, which on the average amounts to nearly one half of the papers, there again is the duplicating impact of some advertising copy repeated throughout the nation

The sum total of this kind of similarity results in fewer persons using pencils, typewriters and brains in writing the content of our newspapers.

Since my thesis is diversity—sound economic diversity alone—I make no comment on the great shrinkage of writing employees in the press of the land. But many who know have speculated that after the war the writing members of the press will seriously decline in number, further threatened by the advent of facsimile publication of dailies—either facsimiled from large cities to towns, or from central broadcasting stations right into each home

No one would urge a press economy predicated on compulsions to purchase a more expensive service of home product as against boiler plate, but surely by the same token we need not grant undue advantages to the boiler plater.

ADVERTISING

Even in the uncertain middle period of the American newspaper, local advertising, or the lack of it, often determined whether or not a paper continued in existence. Ads made subscription prices lower. In time they were thought to be a necessary part of newspaper operation Paid insertions grew in quantity as the effectiveness of reader response to newspaper advertising was apparent. This expansion made larger newspapers desirable.

Although circulation is important in so far as it permits raising of advertising rates, circulation in itself is carried at a loss. Circulation alone leaves publishers with deficits to be made up by advertising income.

Mr. Lee points out that the advertising of doubtful repute (patent medicines, lotteries and other fakes) was not reformed until after the Civil War Before that time most of the pioneering was in the development of the copy and mechanics of all advertising As late as 1912 the A.N P A. opposed laws which called for indicating which parts of the paper were paid advertising[1]

The Civil War, and the great interest engendered in its news, finally pushed paid insertions off the front page

In the 1870's the invention of the thin stereotype plate guaranteed the advertiser advance knowledge of what his ad would look like, and gave great impetus to the development of advertising agencies which greatly aided in the standardization of advertising practices.

Newspapers were becoming economically stable. There was a growing tendency toward guaranteed circulation figures. Space charges were related to circulation This movement culminated in 1914 in the Audit Bureau of Circulations, an organization to audit newspaper circulations, subsidized by publishers and advertisers. The American Newspaper Publishers Association in 1893 had already adopted the method of space measurement generally in use today, quoting rates on the basis of cost

per agate line (14 agate lines to the column inch). The milline rate is the cost of placing one agate line of advertising in 1,000,000 copies of a newspaper.

Newspaper advertising jumped into the saddle during the years of the development of big business and helped this development greatly by creating the volume demand which made mass production possible Advertising was especially successful in the growth of the soap industry One of these early effective ads read, "Do You Bathe?" With the turn of the century, half-tones and the development of the Ben Day engraving process made newspaper ads more attractive. Typesetting machines and the new large fast presses created larger newspapers and enabled more of them to be printed.

The increase in volume of advertising in the last years of the nineteenth century necessitated an increase in the percentage of space given to these paid insertions The percentage of advertising space rose from about 25 in the 1870's to 30 or 35 at the end of the century At the time of World War I there was a well established 50-50 ratio of paid advertising and editorial matter, but when the war made it necessary to economize on newsprint, news rather than advertisement was reduced in most papers

The 1929 boom brought another peak in the advertising percentage but this dropped again in the early thirties Thus in 1931 papers which in 1929 had given 65 to 75 per cent of their space to ads came down to about 50 per cent. Papers which formerly had about half their space taken up with advertising dropped to 30 or 35 per cent. Six New York papers in the summer of 1944 show an average of about 45 per cent advertising space (See Exhibit H, page 290.)

Revenue from advertising over a period of years has been roughly two thirds of the entire revenue of the newspaper The proportion of revenue from advertising to revenue from subscriptions and sales varies with individual papers, but in some cases the advertising revenue has gone more than 75 per cent The following figures are from a publication of the Bureau of

Advertising of the American Newspaper Publishers Association, *The Newspaper as an Advertising Medium*·

| *Year* | *Revenue from Subscriptions and Sales* | *Revenue from Advertising* | *Per cent of Revenue from Advertising* |
|---|---|---|---|
| 1909 | $ 84,438,702 | $148,554,392 | 65 |
| 1931 | 261,568,832 | 624,953,969 | 70 |
| 1933 | 239,147,402 | 428,672,688 | 65 |
| 1937 | 287,508,458 | 574,180,206 | 66 |

The Inland Press Association some years ago made a three-year survey recommending a newspaper budget of the following proportions

| *Income* | *Per Cent* | *Expenses* | *Per Cent* |
|---|---|---|---|
| Advertising | 70 | Editorial | 15 |
| Circulation | 29 | Circulation | 11 |
| Misc. | 1 | Advertising | 7 |
| | — | Paper and ink | 12 |
| | 100 | Other items | 24 |
| | | Administration | 19 |
| | | | — |
| | | | 88 |
| | | Profit | 12 |
| | | | — |
| | | | 100 |

The trend of percentage of advertising revenue to total income for all newspapers *and* magazines is in keeping with such recommendation—1879, 44 per cent, 1904, 56 per cent, 1929, 71 per cent.

In 1929 the *average newspaper* looked to ads for 74 per cent of the income Although the advertising income proportion declined between 1929 and 1939, it rose again during the war. We are still far from the great dream of Dana and Scripps of nearly half a century ago of a press primarily dependent on reader income I am sure the answer is not ad-less papers It lies in other directions.

The Bureau of Advertising gives the following breakdown of newspaper advertising figures for 1939 Retail advertising, $310,000,000, classified, $90,000,000, national, $152,000,000, total, $552,000,000 Thus in 1939, before the war with its main-

moth "institutional" advertising campaigns by the national advertisers, which were invited by tax laws and encouraged by paper-rationing regulations, more than one quarter of the total advertising revenue received by newspaper publishers was from national as opposed to local advertisers This is significant because it means that to that extent the newspaper is not being supported in any direct and traceable way by the local economy Moreover, the mood and approach of the national advertising copy is created in a few offices located in a few of our big cities The cost is buried in products sold in many other communities as well. Under this system it is impossible to determine how many papers the local economy could legitimately support The final decision often rests with advertising agencies located a thousand miles away from the newspaper area of circulation.

In 1939, according to the Bureau of Advertising, there were only 646 national advertisers spending more than $25,000 each in our newspapers That is a very small proportion of the total number of national business concerns which are potential advertisers. But the real shock is found in the concentration breakdown of this figure Six per cent of these 646 advertisers, or thirty-nine concerns, account for nearly one half of the total expenditure for national advertising in the newspapers of the nation. In other words, in this field, as in radio, a handful of advertisers holds a dominant position in the total advertising in the press, which advertising income is the essential and often the vital income of daily papers

Breaking down the expenditure for national advertising in 1939 by media, the newspapers received 32 per cent, magazines, 30 per cent, and radio, 26 per cent. The rest was outdoor, farm journals, etc Newspapers have put up a stiff fight against competing media—billboards, car cards, magazines and finally radio In many areas newspapers procured legislation banning the distribution from house to house of circulars printed by local merchants or mail-order houses. For a time the press associations put an embargo on their reports being sent over the air by radio to the people of the nation. This shabby attempt to

restrain the market was ended only because the three press associations did not play fair with each other. The final weapon of the press against radio seems to be the old one of moving in and taking over—newspapers now have affiliations with or own one third of the total number of radio stations.

Dr. L. D. H. Weld, Director of Research for McCann-Erickson, Inc., in an article in *Printer's Ink*, has charted the relative changes of major media on the basis of advertising expenditures. In 1929, infant radio received only 1.6 per cent of the total advertising expenditure. This climbed to 5.2 per cent in 1933 and 7.7 per cent in 1937. By 1943 it reached 15.3 per cent, almost exactly half the newspaper advertising expenditure of that year. In the ten years between 1933 and 1943 the volume of radio advertising has tripled. Part of this radio gain has been the newspapers' loss. Magazines have about held their own.

The total advertising volume for all media in 1939, according to Dr. Weld, was $1,780,000,000. Since the war the total advertising bill of the nation has risen to $3,000,000,000, according to government figures, 67 per cent of which cost was borne by the government through tax deductions. War advertising, and its deductibility as allowed by the Treasury, has given a tremendous tax advantage to the large national industries, most of which are in the high-tax brackets. Thus, if X Company, which was in the 80 per cent tax bracket and had no product for sale during the war, wished to keep its name before the public, it ran advertising saying "Buy War Bonds Now And Buy Our Super-Swizzles After the War." The cost of such an ad was largely paid by the government in the form of a tax subsidy amounting to eighty cents on each dollar of advertising cost. This even though the advertising was political or inflationary. Thus X Company had the advertising spree of its life (for twenty cents on the dollar) in the name of patriotism.

There was probably no manpower wastage during the war as inexcusable as the waste of manpower in connection with "good will" institutional advertising. In forests, logging camps, manufacture and transportation we have expended enough man-

hours on turning trees into advertisements to have made unnecessary the draft of any married man for the armed services. In England percentage limits, 45 per cent and 55 per cent respectively, were put on advertising in newspapers and magazines There was no loss of freedom to the press Here, failing to adopt such pattern of paper control, we played farther into the hands of the large newspapers and the large advertisers in large cities.

There are two kinds of rates charged for advertising—the flat and the open rate The flat rate, customarily charged national advertisers, is comparable to the luxury accommodations on a railroad as opposed to the freight charges It is generally standard regardless of the amount of space used and runs to 75 per cent more than an open rate for the same ad. The only discount given to advertisements placed on a flat-rate basis is the 15 per cent allowed the agency. The open rate is a decreasing scale based on the volume of space used or the frequency of insertion. This is used for local advertising, especially that of retail stores, where insertions are frequent The newspaper expects the national advertiser to pay more because his advertising is spasmodic, and this is the really profitable advertising Where there is only one paper in a city, rates naturally do not decline as they might under the influence of competition.

A schedule of open rates for New York metropolitan papers during 1944, shows the degree of variation and the great advantage to the large advertiser. For example, the *New York Times* open rate of $1.10 (gross) drops to 43 cents for the purchaser of 250,000 lines. There is a comparable reduction for size in the rates of each of the papers listed. If the Robinson-Patman Act principle were applied to newspaper advertising, there could be no difference in price due exclusively to wholesale quantity or national versus local merchants. This would mean the application of a one-rate principle to all newspaper advertising save only for actual differences in cost of handling a big as compared to a small advertisement or a single insertion as compared to repeated insertions.

The advertising middlemen—the agencies and the publishers' representatives—fulfill a valuable and necessary function, that of placing ads in the papers for advertisers and handling all the attendant details, maintaining lists of papers for various types of campaigns and, in the case of publishers' representatives, soliciting advertising. However, in their selection and repetition of choice of papers for lists to receive ad campaigns, they tend to solidify and strengthen existing papers at the expense of small or new papers. There is also the indisputable fact that an advertiser prefers a large paper because of its circulation even if it costs more per reader. This operates further to the disadvantage of the smaller paper Moreover, big companies have little understanding of or interest in small companies.

The advertisers, more particularly the agencies, have long encouraged the development of the one-paper town In a fairly small community two papers often have overlapping circulations and it is obviously to the temporary business advantage of the advertiser not to have to pay two separate rates for reaching readers which in some cases are an identical group. There is a weird, ironic effect of this short-sighted policy. Advertisers encouraged the merger or consolidation of newspapers in many areas. They often forced the combination of newspapers into one ownership, only to find that the "combination" owner imposed "forced" duplicate advertising on them. After the purchase of a competing paper the new owner did not lower the advertising rates, or if he did there was slight benefit to the advertiser since the new owner invariably put through a policy of forced or compulsory block buying of advertising space. Thus advertisers desiring to buy space in only one paper had to buy it also in an additional paper. Thus a group of advertisers who have been prosecuted as in New York City for combining in a united front against the increased rates of a newspaper find themselves impotent in dealing with a combination of papers in a single ownership. Documentation of this subject matter is found in the Nixon article previously referred to in connection with the evaporation of the press.

There is another kind of advertising practice—the fault of the publishers alone—which kills off many small papers. If a more or less small paper with a low rate succeeded in getting a full-page advertisement from a local merchant, the competing, more successful paper refused to take an ad for the same merchant for less space. This kind of economic retaliation by the large papers represents a serious hold over the businessmen and is certainly a keen weapon against existing or future newspaper competition

There is no area of our economy that needs an airing more than advertising—its impacts on our daily lives and its increasing indirect control over our mores. The large advertising agencies, realizing the power of boiler plating, have proposed to continue after the war their present practices of inserting as paid ads virtually identical copy in hundreds of dailies—the copy to deal with peacetime trends and problems instead of bond drives and the like. As one leading advertising agent said, "You can't expect 1,000 editors to comply with our request to write editorials on the same day with the same slant on a single selected national problem Advertising can, however, carry on with an identic imprint to influence the thinking of the nation" Such a move would put thinking on a national belt and, if carried into action, will result in further abdication of the publishers and editors of the land.

### THE GRASSROOTS PRESS

Weekly papers like small dailies have intimate and direct impacts on readers' daily lives. A recent study made by Professor Chilton Bush, head of Stanford University Division of Journalism, reports that both news and advertising are read more closely in small newspapers than in large ones. In advertising readership the small dailies—no doubt the same holds doubly true for weeklies—averaged better than twice the scores made by the large, while for reading matter the ratio was about three to one.

This is what might be expected. The theory of surfeit applies

to larger entities. Since the content has been primarily local in the smaller papers, an intimate relationship exists between the reader and the run-of-the-mill events of his community. Above all it must be noted that weeklies and small dailies have usually been locally owned and managed. The editor lives with the problems of his readers He has a concern for the community—the essence of democracy. He is quite a different species from the itinerant temporary editor, operating for an absentee owner. The local owner-publisher of a weekly is an indigenous creature bearing slight resemblance to the publisher tycoon of Detroit or Chicago who by remote control from such metropolises runs a paper in cities of distant Florida.

A decline of multiple ownership in our weekly press has, therefore, striking effects on communities. It is no answer to say that the people without local printed news can listen to the radio, or buy a national magazine, or even read the papers of the next county. No matter how important national or international news may be, the basic training ground for critical judgment as to all news must always be the discussions and debates that arise from local problems. Feeding the starving people in Europe is related by each reader to the crops of his county. The creation of a Missouri Valley Authority is debated vis-à-vis the floods or dust bowls of other parts of the country

The reading habits as depicted in a survey of best-read news stories in *dailies* shows:

| | *Men* *Per Cent* | *Women* *Per Cent* |
|---|---|---|
| International news | 29 | 11 |
| National news | 25 | 27 |
| Local news | 46 | 62 |

When *Editor and Publisher* tries to brush away the distress of the nation as shown by the folding up of small papers, it offers as one alternative the capacity of the public to tune into a radio station of "the next town, county or state." Such big-city, Eastern-seaboard thinking is probably at the root of the

quandary in which we find our press. To those who have lived outside New York City and other large centers of population, the suggestion of replacing a local paper by a radio knob turned to another county or state is evidence of Eastern-seaboard provincialism Democracy does not stop at the Hudson River As small weeklies fold up, democracy dies with them.

The peak of diversity in our weekly press almost coincided with the dailies' high point. In 1910 there were 16,899 weekly papers throughout America. (See Exhibit I, page 291.) This figure is broken down by N. W. Ayer into 16,227 weekly papers, 611 semi-weekly papers, and sixty-one tri-weeklies In 1920, after the war period with its casualties of weekly and daily papers alike, the count had dropped to 14,405, a loss of nearly 2,500 organs of opinion in ten years The decline continued through the twenties, the decade of consolidation, and the total went down to 13,079, in 1930, a further loss of more than 1,300

From 1927 on, N W. Ayer differentiates between papers of general circulation and trade and other papers, which means that by the new method of tabulation there were in 1930 only 11,407 weekly papers of general circulation. In 1940, there were 11,208 papers in this group, according to this tabulation. Those who believe that democracy must live in small as well as large towns will read these figures with something akin to heartache.

This grassroots press is predominantly a small one in circulation. *Small Daily Newspapers Under the Fair Labor Standards Act*, a valuable study made by the Labor Department in 1942, contains a table showing circulations of weekly papers (See Exhibit J, page 292 ) This table lists a total of 10,386 weekly papers in 1938. Of these, 9,508 have circulations under 3,000 *The American Press*, the leading magazine for country papers, estimates that the average circulation of a weekly paper is 1,600 The overwhelming majority of such papers are published in towns with less than 5,000 population In 1938 there

were only ten weekly papers in the United States with circulations of more than 100,000. But the total circulation for the entire group is in excess of 15,000,000, although I find no exact figure based on a thorough nation-wide study.

Weekly circulations have risen slightly since the war—3 per cent in 1944—but on any computation the small papers have failed to prosper from the war as much as have the large ones.

The economic problem of weekly publishers is generally the problem of small business enterprise About half the total number of weeklies are run by single families, with perhaps one extra employee. Usually a paper of this type has one linotype machine and a second-hand press. The main source of revenue is a job-printing business—in fact, many weekly newspapers were started as sidelines by job printers who had set up their own printshops. These papers are not expected to be distinguished by their high standards and often reveal their more or less casual production. But they are the product of the people of the community. At the very least they are the training schools and educators of many of our best newsmen.

The better type of weekly is run very much like a small daily, in respect to organization, personnel and equipment. This kind of paper has little or no job printing, and employs from five to eight persons. From three to five men make up the mechanical staff. The editor, with two or three others, handles the editorial and business offices Generally the paper circulates to the same public as the small daily and runs the same type of advertising Some such weeklies operate with annual expenses of $5,000 or less, while the expense of a daily in the same circulation group runs to at least $40,000 With an average per capita income of about $1,000 in the United States, the country editor with an income of $2,500 is often an opulent member of his community.

Advertising is an important economic factor in weekly publishing Only about 17 per cent of the advertising in weekly papers is national. This fact is consistently deplored by weekly

publishers, because national advertising brings in the money, and they have had an uphill fight to secure these campaigns. *American Press* says the average national advertising rate in weekly papers increased by about 6 per cent in 1944 They benefited only slightly from the current wave of institutional advertising. The publishers' representatives who try to secure this advertising for country papers point out that readership is unusually high in this medium, and that it covers many persons who otherwise would not respond to advertising appeals. The heads of advertising agencies live too close to Broadway, Manhattan.

The disadvantages of weekly papers as an advertising medium, from the point of view of the advertiser, are inferior typography and layout, the difficulty of measuring results and the scattered quality of the country press which makes it hard to place ads save through representatives. Moreover, until very recent years publishers would often quote different rates whenever it seemed expedient and those on the economic fringe would run free publicity in the hope of getting ads—which made advertising unnecessary But these conditions have changed. Advertising agencies have fought against varying rates for years Now most papers have standard rate cards. Publishers are learning to resist the use of free publicity material, and are learning not to editorialize about products they hope to advertise. Also, many weekly papers now have their circulations audited, which makes them a more computable and dependable advertising medium.

Because the precarious budgets of many weeklies are well known, there has arisen an unfortunate practice of having publicity, and even editorial material, prepared in clip sheets and mat services to be sent to weekly editors. This material, if used, provides the publisher with material at practically no cost or labor. Such services are regularly maintained by such organizations as the National Association of Manufacturers with its *Industrial Press Service*—which the N.A.M. says is used by 5,000 weeklies—the CIO, and the AFL, an organization fighting

grade labeling, and many others Some editors receive as many as ten such mat services weekly and, of course, a flood of publicity releases as well.

*American Press* ran a story quoting a letter from an irate publisher as follows

> SIRS·
>
> Your time and our time represents money.
> It takes your time and money to send letters.
> It takes our time to open and read letters.
> If we used your publicity letters it would require space, *which we sell*
> We don't use your publicity letters, so would suggest you *stop sending them*—SAVING both of us time and money Future releases will be refused.

The magazine, which is published by the American Press Association, commented on the story as "endangering" ads for weeklies and said that the proper action for a publisher was to send the publicity material to his representative, who could then solicit paid advertising.

Free mat services, which are, of course, propaganda for those who send them out, gravely undermine the vitality of our small press. The editor is often tempted to use the canned editorials and cartoons and other features thus provided because of the saving in labor and time. But the result is unanimity of editorial opinion, to the extent to which they are used. The editor of a weekly paper is often too busy to look into all the facts given in such editorials Hence, he often prints opinions which might not be his own if he had checked them more carefully. And because such pieces are run anonymously, the readers are unaware that this is not the opinion of their publisher—which they have a right to expect—but is the work of whatever pressure group it happens to be. This practice is far more widespread than is realized by the public, and is bad, no matter what shade of opinion is represented.

We also find the practice of canned editorials in the ranks of labor periodicals It can be noted in passing that a few large industrial organizations have a definite edge in getting their views across in this manner, because the expense of such service is a tax-deductible item. In any event, the anonymity of all such material is less than honest. Full disclosure of source should not be deemed inconsistent with our theory of a free press.

One ironical note In the winter of 1944 the National Association of Manufacturers began a long-awaited, giant advertising campaign—so-called "institutional" advertising. Weekly publishers, and their representatives, waited with bated breath because they expected to share in these riches But when the campaign started, newspapers in every city with more than 50,000 population received full pages, 300 big radio stations carried programs, but the weekly papers got none. They were propagandized through the already existing Industrial Press Service, which paid them nothing.

### BOILER-PLATING THE MIND OF THE NATION

The greatest threat to diversity of opinion in the country press arises from the domination of a substantial part of it by boiler-plate organizations. Almost every weekly paper uses the services of Western Newspaper Union (W N U ), a $6,500,000 purveyor of features, editorials and columns. This giant is owned by John H Perry, often called the Boiler-Plate King, who also owns the American Press Association, a publisher's representative, a chain of Florida dailies, a Florida weekly, four radio stations in Florida, the Midwestern Paper Company, the only daily in Frankfort, Ky , and a weekly in Owenton, Ky.

Nine thousand weekly papers use some of W N U.'s features. Nearly 3,000 purchase an eight-page paper ready to go on the presses, with four pages left blank for the local editor's own news and advertising. These readi-print pages, as they are called, cost the publisher two or three times as much if W.N.U is not granted an advertising concession. If W N.U is granted pages for the sale of its advertising, then of course the pub-

lisher receives no payment for the advertising even though such ads may take up 20 per cent of the readi-print pages. Thus we have block booking of content and ads, probably one of the most insidious and disastrous marriages in our entire economy, doubly pernicious because the dual deal is not disclosed to the readers.

W.N U has a subsidiary, Publishers' Autocaster Service, which reproduces some of the services on a smaller scale—notably that of supplying canned editorials. It is not strange, in examining several hundred weekly newspapers, to come across dozens from Wyoming to Texas with exactly the same editorials, over and over. Most of the readers assume that this is the product of their own editor. Again there is no honest full disclosure to the reading public.

Another line in this web of control is the connection between W N U and the Associated Press. W.N.U. prints and distributes A.P 's feature letters It also manufactures many A P. mats, especially outside of New York W.N U. picks up a spot picture from an A.P telephoto, makes the mats and distributes them to A P. members in the territory—thereby assisting A P. in gaining several hours over the other picture services, who must send their pictures by air mail to papers who do not have telephoto machines.

These conditions capitalize on and further weaken the uncertain economic status of small publishing as a whole. These practices have a sure tendency of further devitalizing our important weekly newspapers Consolidations are occurring in this field every month, although the bulk of them started in the twenties. To maintain even the level of diversity we still have in country papers, we must end many of these unsound practices That they are undisclosed and concealed from the public augments the evil. But it must be recalled that when we first legislated in 1912 that all advertisements must be so declared to be "ads" in the press, many newspapers and the great magazine of the daily press, *Editor and Publisher*, opposed the move

The cost of paper to the small weekly or daily publisher

is also a matter deserving Congressional inquiry, for it is the chief difference in cost of operations between large and small papers. There is no reason why paper purchased in small quantities should be so much more costly than purchases in large quantities. At one time one paper company controlled three fourths of all newsprint output east of the Mississippi. The interest of paper mills in newspapers has been attacked even by some of our great publishers. The bottleneck of paper supply is less than healthy. Joseph Pulitzer battled restrictions on paper and in 1934 President Roosevelt proposed a newsprint planning board. The differences in cost of newsprint are not related to the cost of production or expense of selling The differences arise out of power of the buyer. If the disparities continue there doubtless will be a move to have one of the government-owned corporations—such as R.F.C or Smaller War Plants Corporation—set up a cooperative paper buying agency. A M Lee feels that the day possibly approaches when a few publishers will produce in their own newsprint factories all the newsprint for all American dailies. Ownership of forests and pulp manufacture should be divorced from ownership of newspapers and magazines.

But, above all, our second-class mailing privileges operate actually for the advantage of large entities, who do not need them. At one time 64 per cent in weight of all our mail consisted of newspapers and periodicals. Why should the people of the United States subsidize through second-class mail a publisher who sells more, for example, than 200,000 copies? When a publication acquires a circulation of that size, it ought to be able to pay its way Would it not be sounder to encourage small publishing by carrying papers free up to a certain minimum circulation? This would not be a penalty on initiative, but a true incentive subsidy A postage bill of even $10 a week is an important item in the budget of a weekly paper

For many decades we have burdened all taxpayers in order to carry in the mails second-class mail at rates that are less than the cost to the post office When Franklin was postmaster gen-

eral, in 1758, papers were carried for fifty miles at eighteen cents, 100 miles for thirty-six cents, etc. The press, magazines and books today get a subsidy of close to $100,000,000. I should imagine that the only reason for such a gift is the hope of enrichment of the mind of our people. A sliding scale theory of benefit and burdens has been accepted in income tax legislation. A sliding scale postage subsidy for newspapers and magazines would help maintain the press of the nation. There is little inducement implicit in giving a giant publisher a check from the national treasury running into hundreds of thousands of dollars each year. We could well afford to increase the total subsidy, if we saw to it that thousands of small concerns were encouraged to go into or stay in business. I should guess that by this one shift alone we would encourage the revival of the 3,820 weeklies which we lost between 1910 and 1930.

I ask for no improbable, uneconomic ventures. But surely with modern technological skills a society with increasing national income should find it possible to remove a few of the burdens and practices which led to the decline of weeklies—a recognized important medium of public thought.

Finally, it is important that the Big City folk stop disparaging the country press because of its defects. Some critics feel that because of gaucheries and occasional poor craftsmanship, as well as near-bankruptcy, the country press is not worth worrying about. Rather do I say, "This is our press for good or bad. We can make it better And for the survival of our way of life, we must make it last"

The surest path toward increased concentration of power in our national government is along the road of destruction of local newspapers and removal of local media of expression. A strong and free country press is the backbone of our democracy. It is well worth any help we can devise for it. There is little sense in bemoaning the centralization of power in Washington and at the same time sitting idly by, watching the devitalization of all those instruments without which local democracy cannot function.

## The Specialized Press

It is not exactly pertinent to this inquiry to consider the social justification of foreign language or special racial newspapers. It may well be that in a society without bigotry there would be no need for such special organs of opinion, even though much may be said for organs which interpret foreign cultures participating in our folkway As long as they do exist, a brief word about their numerical status is fitting.

The number of dailies reaching the foreign born, as shown by Ayer, are·

| *Year* | *Number of foreign-language dailies* |
|---|---|
| 1910 | 121 |
| 1920 | 134 |
| 1930 | 139 |
| 1940 | 119 |

According to Ayer the number of foreign-language dailies has declined only slightly since 1910

Of the foreign language press, A. M Lee says:

"Foreign-language dailies have been started as adjuncts to steamship agencies, immigrant banks, political parties, fraternal organizations and nationalistic movements, and occasionally as independent business ventures In the struggle for existence, however, successful immigrant dailies tended to conform to the workable commercial standards evolved by other American journals."

The number of Negro publications listed by N W. Ayer includes weekly and other types of periodicals as well as dailies, as follows

| *Year* | *Number of Negro publications* |
|---|---|
| 1910 | 333 |
| 1920 | 216 |
| 1930 | 153 |
| 1940 | 157 |

There is about a 50 per cent decrease in the number of such publications from 1910 to 1940, as shown by the table above

The difficulty experienced by these publications in getting advertising, particularly that of department stores, has been in my opinion the most important reason for their financial instability. Negro weeklies have on the whole been more successful than dailies, since they can charge higher subscription rates and higher rates for the advertising they do receive.

The decline of these special group publications may well be a happy sign of some slight progress, bespeaking the presentation of special national and racial problems in the regular press of the nation.

### POST-WAR OUTLOOK FOR NEWSPAPERS

Newspaper publishers may be doing less talking about the rosy possibilities of the post-war period than many other businessmen, but there are plans nevertheless. As a story in *Editor and Publisher* for April 1, 1944, says, the publishers appear optimistic. The report is based on a survey of 1,470 newspapers conducted for the Mergenthaler Linotype Company, which presented detailed questionnaires and interviewed many daily newspaper publishers, with an eye to appraising the future of the industry.

The majority of publishers, according to the survey, think that "beautiful, colorful newspapers selling at five cents a copy will rise triumphant to down all threatened competition from radio, television or adverse propaganda." Sixty-one per cent of the publishers look forward to increased gross advertising lineage after the war "Circulation revenues, however, according to 44 per cent of the opinion obtained, would remain at the 1943 level, with 30 per cent expecting an increase and 26 per cent a decrease" Even these figures should leave us far from happy The trend continues away from direct reader economic reactions—with advertising income increasing and circulation revenue only holding its own.

One of the most interesting questions in the survey dealt with the future number of papers as compared with the present. Sixty-nine per cent felt that there would be no further decrease

in the number of dailies published in the United States after the war, while 26 per cent thought there would be further casualties. Answering the affirmative side of the question, "26 per cent thought new daily newspapers were likely to be started after the war as opposed to 74 per cent who considered such expansion unlikely" Thus the press itself really confirms my prognosis of a declining press.

*Aviation News* had a story about the potential use of air transportation from fixed bases for deliveries of morning papers. The magazine said, "The effect of air transportation on newspapers may be far-reaching. Delivery of city dailies at a long radius might work a severe hardship on small local dailies. It is conceivable future low-cost delivery overnight might enable a half dozen big dailies with superior services to reach all population centers of the nation" If our minds are to be dominated by the city papers, we cannot expect anything but further political concentration in our national capital.

Facsimile reproduction offers a further serious threat of establishing national newspapers At the United Nations Conference in San Francisco (April 25-June 26, 1945) one of the New York papers supplied delegates and the press with a four-page, full size, edition by wirephoto. About 2,000 copies were produced daily at a cost of about $800 a day. Thus it is not too hard to imagine facsimile reproduction of a large metropolitan paper sent over the ether with copies arriving simultaneously on all the breakfast tables in the land That would probably eliminate the need for having more than two or three papers, as far as distribution is concerned, although it would be a tragic development for American democracy, no matter what papers survived. Moreover, some persons believe that facsimile newspapers will have to be supported exclusively by advertising, if the dailies are facsimiled over the air directly into the homes of the land. Such possibilities make even the status quo look pleasantly democratic But we need more than a cheap press. There are values other than pennies.

Of course, there are possibilities of technological improve-

ments which may add to the chances of newspaper diversity rather than decimation. If equipment could be improved, and lowered in cost, so that the initial expenditure for starting papers would be reduced, there would be some slight new hope for the future of our press. However, patent arrangements under consideration make such dreams most faint unless we soon shift our basic thinking on the use of all patents which restrict all market places.

But there is hope in the fact that since the war most papers have increased the cost to the consumer—have raised their subscription rates. Of 1,165 papers reporting, 690 had increased reader prices in 1942. We have found that, generally speaking, as many persons buy papers at five cents as at three. Moreover, total area circulations are increased where there is more than one paper, no matter what the prices have been. Perhaps if the prices were further raised, advertising income would be relegated to a less important place in the newspaper budget, thus bringing publishers back to the point where they would be supported by their readers.

Unquestionably this would make for greater emphasis on the editorial material, and a more vital relationship between editor and readers. The press would become again the real purveyor of ideas It would then be economically feasible for an editor and capital to risk themselves in the contest for readers—a different battle than the present scramble for advertising, even though advertising rates at times and in certain areas have relationships to circulation.

A graph prepared by the National Resources Planning Board, in *The Structure of the American Economy*, shows that printing and publishing of newspapers and periodicals is the tenth largest industry on the basis of number of persons employed. Twenty-one per cent of the people in the industry are employed by the four largest enterprises, 25 per cent by the eight largest. But aside from a few new potential giants, and a stray small city publisher, the press itself is financially content with the concentration of power in increasingly fewer hands.

As Senator Joseph H. Ball pointed out.

". . . the present trend toward merger and toward chain ownership of great newspapers . limits very seriously the choice of employers for the individual who has chosen newspaper work as his vocation If he, for instance, finds it impossible to work with a clear conscience for one newspaper in a large chain and resigns, he is not likely to find employment with any other newspaper in that chain. His choice of employers is limited and the economic pressure for conformance regardless of conviction is increased"

Thus does the concentration touch even the lives of those who write our papers.

MAGAZINES

There is a tremendous number of periodicals in the United States. Because of difficulty in definition, nobody seems to know exactly how many magazines there are A fairly reliable figure mentions 700 magazines with 140,000,000 copies an issue. The Publishers' Information Bureau in New York checks magazine advertising, in all of what *they* term *important* national magazines Their count over the past seventeen years has risen from seventy-two in 1926 to 106 in 1943. This is a small proportion of the total of weekly, monthly, quarterly—including pulps and comics

There is much greater comparative diversity in this field than in the daily newspaper field and it is considerably easier to start a magazine than a newspaper. This does not mean that the mortality rate is not greater. For one thing, initial expenditures are nowhere near the huge figure required for newspapers, because printing can be farmed out All that is needed is an office and enough capital to meet expenses for a while, which is easy compared with the problem of starting a big city newspaper. Then, too, a magazine can be built around any new idea in the market.

A study issued by the Popular Science Publishing Company called *Comparison of Magazine Circulations for First Six Months 1944-43*, analyzes figures from seventy-nine national magazines.

In spite of the wartime restrictions on newsprint, all these magazines together showed a gain of 1 9 per cent total net paid circulation in 1944 over 1943. Indeed *Charm* magazine showed a gain of 52.7 per cent in this period. The total circulation of all the magazines included was 72,288,352 in 1944. A figure to be proud of as a nation. But, ten magazines have circulations of more than 2,000,000 each, and account for about half the total. Our 467 Sunday newspapers have a circulation of more than 37,000,000. Nearly half these papers distribute the magazine *This Week*, or some other magazine. *This Week* alone has 6,000,000 circulation.

It is interesting to note that in both years subscription sales for the total number of magazines exceeded newsstand sales, although total newsstand sales showed a gain of 10 6 per cent in 1944 as against a 3 2 per cent loss of subscription sales in 1944 over the 1943 level In view of the needed reappraisal of the second-class mailing privilege, these figures have increased significance. Only thirty-four of the magazines have greater newsstand than subscription sales and in some of these cases there is only a slight difference.

The following table shows the relative proportions of advertising and editorial in sixteen leading magazines in 1940

| *Name of Magazine* | *No of Ad Pages* | *Per Cent* | *No of Editorial Pages* | *Per Cent* | *Total Pages* |
|---|---|---|---|---|---|
| Life | 2,559 | 45 3 | 3,093 | 54 7 | 5,652 |
| Time | 2,665 | 55 9 | 2,105 | 44 1 | 4,770 |
| Sat Evening Post | 2,859 | 51 0 | 2,745 | 49.0 | 5,604 |
| Ladies' Home Journal | 696 | 44 1 | 882 | 55 9 | 1,578 |
| Colliers | 1,775 | 47 6 | 1,953 | 52 4 | 3,728 |
| Woman's Home Companion | 618 | 45.4 | 744 | 54 6 | 1,362 |
| American | 539 | 26 4 | 1,505 | 73 6 | 2,044 |
| McCalls | 681 | 43 3 | 891 | 56 7 | 1,572 |
| Red Book | 520 | 26 6 | 1,438 | 73 4 | 1,958 |
| Good Housekeeping | 1,122 | 43 4 | 1,466 | 56 6 | 2,588 |
| Cosmopolitan | 690 | 32 4 | 1,438 | 67 6 | 2,128 |
| Liberty | 875 | 26 0 | 2,485 | 74 0 | 3,360 |
| Look | 293 | 17 9 | 1,343 | 82.1 | 1,636 |
| Business Week | 1,562 | 47.5 | 1,724 | 52.5 | 3,286 |
| Newsweek | 1,290 | 37 1 | 2,190 | 62 9 | 3,480 |
| True Story | 568 | 31 8 | 1,218 | 68 2 | 1,786 |
| Totals | 19,312 | 41 5 | 27,220 | 58.5 | 46,532 |

The magazine in this group with the highest proportion of advertising is *Time*, with 55 9 per cent, compared with the average of 41.5 per cent

The figures on advertising values in the magazines checked by Publishers' Information Bureau are as follows.

| *Year* | *No of Magazines Checked* | *Dollar Advertising Value* |
|---|---|---|
| 1926 | 72 | $159,267,949 |
| 1929 | 69 | 193,070,898 |
| 1932 | 72 | 112,117,059 |
| 1933 | 114 | 97,668,028 |
| 1934 | 110 | 116,763,397 |
| 1937 | 107 | 162,148,656 |
| 1940 | 106 | 167,408,166 |
| 1943 | 106 | 232,061,971 |

Magazines have held their own in regard to their proportion of our total advertising volume from 1929 to 1943. The percentages of the total controlled by magazines, according to the estimate of Dr. L D H Weld in *Printer's Ink*, are the following 1929, 10.5 per cent, 1933, 9.8 per cent, 1937, 11.3 per cent, 1941, 10.2 per cent, 1943, 10.6 per cent. Dr. Weld says, "The advent and development of new magazines in the weekly field have undoubtedly played an important part in maintaining the relative advertising volume of this classification"

During the war many magazines were forced to cut down the total number of pages, but many managed to retain approximately the same number of words in each issue by reducing the size of type, margins, etc Lighter paper was generally used Some few magazines put a ceiling on advertising space The tendency, though, was to increase the amount of advertising space at the expense of editorial material

There are some signs which indicate the further growth of multiple magazine corporations as opposed to the singleton publisher who gets out just one magazine Paper rationing was designed to aid the multiple house and to embarrass the magazine without advertising, which is usually a singleton operation. A tax inquiry into multiple magazine publishing might point

to the absence of purported real economies and the need of corrections in aid of singleton houses

One phenomenon worth mentioning is the growth of international magazines. *Time* with its twenty separate editions and combined circulation of more than 1,500,000, claims to be the first such international giant. *Time* comments proudly that "in all the history of magazine publishing only one other magazine has ever reached even 300,000 circulation at $5 a year." *Time* prints special editions on every continent except Antarctica, "almost simultaneously with the U.S and Canadian editions."

According to an article in the *Wall Street Journal* of September 21, 1944, *Reader's Digest* now has six foreign editions The circulations are as follows British, 310,000, Spanish, 734,413, Latin America, Portuguese, 349,748, Brazil and Portugal, Swedish, 270,000, Arabic, 200,000, Middle East.

All these editions carry advertising except the British, which may do so soon. The absence of ads in the United States edition represents no profound philosophy of the owners The article states that *Reader's Digest* contemplates continued foreign expansion.

Several other magazine publishers are reported by the *Wall Street Journal* to be considering foreign-language editions after the war. Hearst is one of these. Other interested publishers are Crowell-Collier, Macfadden and the Condé Nast publications.

Like newspapers, magazines have been sticking more and more fingers in other pies too There is Time, Inc., with the movie and radio *March of Time*, its former interest in Station WQXR and recent large holdings in one of our four radio networks *Reader's Digest* was importuned to make an agreement with Metro-Goldwyn-Mayer for the production of short features based on material appearing in the magazine. There is also the *Reader's Digest of the Air* and the relation of *Reader's Digest* (no longer exclusively a digest) with other magazines and newspapers has long been a matter of inquiry by the anti-trust division of the Department of Justice.

Thanks to the *New Yorker* of December 1, 1945, we find

figures at last compiled on the reprint activities of *Reader's Digest*. From 1939 through 1943 the *Digest* printed 1,908 articles of one page or more in length, not including the book sections or filler items. Of these, 1,718 were identified as follows 720 articles were genuine reprints from other periodicals, 316 were written for the *Digest* and printed there only, 682 articles were written for the *Digest*, planted in other periodicals, and then "reprinted" by the *Digest* To summarize, 720 articles, or 42 per cent, were genuine reprints, and 998, or 58 per cent, were either genuine or disguised originals. Approximately three out of every five *Digest* articles, then, originate in the *Digest's* offices. This method of operation is not obvious to the reader because it is diffused—in the period from 1939 through 1943, the *Reader's Digest* planted articles in more than 60 publications.

Several other publishers reputedly have plans for tie-ups with motion picture companies. There is little question but that the web of control by the same persons in the fields of magazine, radio and movies is constantly being woven tighter

### BOOKS

Books are the format for enduring ideas Until recently, in relation to literacy, we had the lowest book-reading public in the world Price cutting loss leaders destroyed most of our bookstores. The Brandeis Price Maintenance legislation did much to keep publishers and retail outlets in existence. No longer can department stores sell books at eleven cents which cost them fifty cents—making up the loss on customers purchasing perfume or ties. Such deception is ruled out wherever a publisher or author wishes to fix the retail price of his book. Without such legislation twenty-five-cent books could not survive.

Book publishing, like magazine publishing, does not show the degree of concentration found in the newspaper field, although the post-war era looks as if the field will be tightened considerably. But in book publishing there is no saturation point and it does not look to advertising for its continued existence. Publishing businesses are comparatively easy and cheap to start

and there are always advertising agencies and warehouses available to handle promotion and sales. Moreover, authors retain control over their manuscripts and, hence, author diversity still exists in the book business.

According to *Publisher's Weekly* there were, in 1941, 263 publishers (of five or more titles), with a total of 7,986 titles. In 1942, 274 publishers handled 8,107 titles, and in 1943, 235 publishers produced 6,761 titles Chances are that the number of titles will grow after the war, since publishers have been handicapped by paper shortages and the book-reading public has grown enormously The 235 publishers in 1943 were scattered over fifty-six towns in twenty-five states, although the bulk were located on the Eastern seaboard and more than half of them were in New York City. The top four publishers in the group of twelve stay on top pretty regularly, but the volume of their business fluctuates (See Exhibit K, page 293.) They account for between one quarter and one third of all the business done by publishers of five or more books

The number of publishers of five or more books has about tripled in the last twenty years. In 1920 there were 89, in 1930, 217 and in 1940, 263. The number of books sold has increased greatly too (not titles, but copies) In 1929 the total was 235,360,032, in 1939, 182,000,000, and in wartime, with the best read Army in the world, the total for 1943, according to the United States Census, was 551,290,000 Of course, wartime conditions have increased the civilian reading public greatly.

Fiction shows a slight loss in diversity from 1900 to 1940, probably accounted for by the rise in sales of technical books and other works of non-fiction. Exhibit L (page 294), *American Book Production According to Type of Title*, shows that no particular type of book is crowding out any other I find no diminished diversity of titles in the categories of non-fiction or biography

The price of new books of fiction is rising, while non-fiction and biography prices seem to rise and fall inversely to

each other, as the following table, based on *Publisher's Weekly* figures, shows

RELATION OF PRICES TO TYPE OF BOOK

| | *Fiction* | *Non-Fiction* | *Biography* |
|---|---|---|---|
| 1920 | $1 93 | $2 97 | $3 53 |
| 1930 | 2 23 | 1 84 | 3 92 |
| 1940 | 2 51 | 2 18 | 3 07 |

Prices of newly published books are important, for the reprint business depends on the diversity of original publications.

New techniques of merchandising have greatly swelled book sales in this country. In 1940 there were fifteen book clubs, with millions of members. Retail bookstores are evaporating and chain bookstores are taking their place. Books are sold in department stores, drug stores, cigar stores. Books are now nationally advertised in magazines, newspapers and on the radio To the extent that the public buys the ten most advertised books, diversity of titles is cut down. And, too, the choice of monthly selections to be distributed to members of book clubs greatly limits diversity, involving as it does the oftentimes uncritical repetition of choice of a few books by many persons with a more or less artificially stimulated demand. It is a kind of limited blind book block buying made possible in part by the ineffective draftsmanship of our Price Maintenance statutes, which give the book clubs exemptions since they "lease" plates for printing, rather than buying books for resale. It is possible for many good books to be left by the wayside because they are dwarfed by the tremendous advertising and publicity campaigns and by lower bulk sales prices designed to build another book into a best-seller And it often works. This whole situation makes for greater sales per title with an accent on fewer titles

Editions for the Armed Services, Inc , a non-profit organization, distributed 6,500,000 free volumes in 1943, 36,000,000 in 1944 and planned 70,000,000 in 1945 All these books were produced at an average cost of six cents a copy. This is significant, of course, in terms of the reading public built up for the years after the war.

Pocket Books, one of several publishers of small cheap reprints, in 1943 sold 38,000,000 twenty-five-cent volumes. This company has 80,000 outlets for its books, dwarfing the number for standard publisher outlets and rivaling magazines. As late as 1937 there were not more than 500 good bookshops throughout the country. A possible 500 department stores selling books made only 1,000 authentic outlets for our literature These little editions are fine from the point of view of bringing books to many persons who ordinarily could not afford to buy books, but the bigness of this industry at least leaves room for speculation on the extent to which our diversity will be further reduced by this kind of publishing. Cheap reprints will seldom appear of books which are not sure mass sellers, thus further accenting the market in the direction of lower common denominators of public choice Moreover, some publishers contract with reprint houses for a block of books of different authors—a shocking form of block booking

Lately Marshall Field, owner of two newspapers, has bought an interest in the publishing firm of Simon and Schuster, and in Pocket Books, which incidentally has plans for post-war expansion in the foreign field The reprint firm of Grosset and Dunlap was bought by a group of book publishers, and the Book-of-the-Month Club. Bennett Cerf, president of Random House, in commenting on the fact that these realignments have pretty well sewn up the future of the book industry, issues a wish fulfillment, naive hope.

> The original publishing of new books will not become involved in any of this frenzied finance Big business and literature definitely do not mix . The creation of a great reprint and chain store market simply means that a deserving book will earn far more than it ever did before.

Which sounds like advance publicity for further "frenzied" expansion moves

The outlook for the writer is good, in relation to book publishing His integrity and the integrity of his work are substan-

tially preserved in the book field. Here there is very little editing, as compared with the movies, for example, where the work of writers often comes out in unrecognizable form. And in the press, aside from columnists, possession by the publisher of the minds of the writers is much more destructive of diversity of ideas than in the book field If an author is dissatisfied with his publisher, he can get another—there is a constant opportunity for him to find new outlets Publishers still compete for authors. The personal limitation imposed on the author is immeasurably less in the field of book publishing than in the dailies, radio or movies As attorney for the Authors League of America, I have long urged the development of book contracts, along the lines of the Dramatists' Guild contracts, which reserve all controls over the written words to the author

Elmer Rice has long urged that authors in the movie fields should maintain possession of their manuscripts, as they do in writing plays for the theater. He urges the guilds of motion picture writers to obtain greater diversity by an organized effort to restore to the writer the control of his manuscript. Thus, he says, the diversity will be as wide as the number of writers, rather than as narrow as the number of movie companies.

## Chapter V

# RADIO *

Man's inability to get outside his own frame of reference is well illustrated by the incapacity of any cave carver or even manuscript writer of olden times to imagine, much less invent, modern radio But even though radio is surely not the last means of communication to be discovered by man, it is, nevertheless, the miracle of the generation And we in the United States have hugged and nurtured it to the extent of 59,000,000 sets in 89 per cent of our homes. Thirteen and a half million more homes have radios than telephones, 7,500,000 more have radios than automobiles, 15,000,000 more have radios than magazines, and nearly 6,000,000 more have radios than bathtubs There are more words uttered over the air every day than in all the Broadway plays during a period of ten years. The progress of our radio is unequaled elsewhere in the world. It is free of government restraint It suffers only from economic restraints.

In most other nations the government controls, owns or operates the radio. In such lands dictators, or the elected rulers, decide what the people are to hear Even in nations where the press or movies are unlicensed the radio is a government monopoly The reason for this unique treatment of radio even in free lands is that radio as yet *must* be somebody's monopoly The science of communicating by air has not developed far enough to allow every citizen to own a microphone. The very ether contains limitations unfathomed by man. It said in effect You in the United States can have only about 1,000 persons broadcasting at any one time If you have more than that num-

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ber you will have the bedlam of Babel. No listener will be able to tune in to any single selected station. Or rather, no listener will be able to tune out all other stations A confusion of tongues spells no tongues.

Hence, at this stage of the development of the art of radio man faces for the first time a mathematical necessity for what some have called censorship. It is censorship only in the sense that some human beings in the government must select those chosen few who are to enjoy the high privilege of reaching small or large portions of our public by air waves. The genius of freedom in the United States is best illustrated by the fact that with the ineluctable necessity for governmental control over radio licenses, we have, nevertheless, seen to it that the government does no more than control the issuance of the license, keeping its hands off the program content of licensees

So, taking the engineering limitations into account, let us see if the market of the air is as free and open as science permits and government can arrange.

### THE LIMITED NUMBER OF WAVES

This great new method of reaching man's mind has grown so recently and so quickly, and contains within itself such severe market limitation, that it is necessary to review in simple terms the facets of the operation

The broadcasting industry, the branch of radio which is in direct contact with every citizen, depends upon three factors for its operation—(1) physical equipment capable of producing and receiving waves, (2) financial and business wherewithal, and (3) entertainment and educational programs

To broadcast programs, a broadcaster must secure a license for his station to transmit programs upon an assigned wave length, with a designated amount of power, for an assigned part of the day and night Congress had to establish a basis for the selection of the few licenses. It said to the Federal Communications Commission· "Give out the licenses on the basis of 'public interest, convenience and necessity.' "

Confusion and interference had ruled the air waves before these regulations were established by Congress in the Radio Act of 1927 and the current Communications Act of 1934. The Communications Act set up a Federal Communications Commission (F C.C ) of seven men, with authority to allocate the limited spectrum to all radio services—military, police, government departments, short wave international, amateur, point-to-point messages, frequency modulation, television, facsimile, relay and standard broadcasting

By 1941 about 900 commercial stations and twenty-eight non-commercial had been licensed,* and this number has remained constant through the war period, when expansion was temporarily halted Thus they are the chosen outlets of 138,000,000 persons. But 730 of the 900 stations have been gathered into four networks—the National Broadcasting Company (N B.C.), the Columbia Broadcasting System (C B S.), the Mutual Broadcasting System (Mutual), and the American Broadcasting Company (formerly the Blue Network of the National Broadcasting Company and purchased from it in 1943)**. The individual station licensees have full responsibility for the programs they broadcast, even for those which originate from the network, and they are theoretically accountable to the F C C. at regular intervals for the general standard of their program schedules.

The F C C. by statute is forbidden to interfere with or censor individual programs. It merely can review the general performance of the station and challenge any lapse from the "public interest, convenience and necessity" when the station's license application comes up for approval or renewal "There isn't anybody in this country intelligent enough or pure enough at heart to set up his ideas as to what is right or wrong in the interest of the general public, no matter whether he is in the Communications Commission or in industry," Senator Wheeler, chairman of the Interstate Commerce Committee, has said As the Su-

* Jan 1944, 919 operating, 24 construction permits

** Number of affiliates at end of 1944 N B C., 149, C.B S, 143; Mutual, 244, A B.C, 194

preme Court held in the Sanders Case opinion of March 25, 1940. "The Commission is given no supervisory control of the programs, of business management or of policy. In short, the broadcasting field is open to anyone, provided there be an available frequency over which he can broadcast without interference to others, if he shows his competency, the adequacy of his equipment and financial ability to make good use of the assigned channel."

"Open to anyone" is only a wishful legalism We know it isn't open and cannot be. We also know that what we hear depends in the first place on which 900 persons the Commission selects as the chosen instruments for entertaining and educating the American people. The mere designation of the lucky 900 must immediately be followed by favoring some of them with the better wave lengths, the greater power or the longer hours for permissible broadcasting. It is through such unavoidable discriminations that the market place of the air operates The audience coverage of a station is determined by its frequency, its power, its location and time of day, all of which are in the control of the F C C.

The 900 stations fall into four classes Class I-A, unlimited clear channel, Class I-B, limited clear channel with interference from one station only, Class II, limited service on clear channel, Class III, regional, and Class IV, local

(A)—There are twenty-four Class I-A clear channel stations which have a wave length completely to themselves at night and power of 50,000 watts. These reach an average area of 150 miles in the daytime and 700 miles at night, but have been heard as far as 2,000 miles away. These are the elite, the grantees of the widest access to the public.

(B)—Class I-B stations share a wave length with only one other station at night and have a similar potential coverage, but use directional antennae or operate on a daytime schedule only, to prevent interference I-B stations operate on ten kilowatt to fifty kilowatt power Clear channel stations have been located in large metropolitan areas, centralized in the main on

the East and West coasts where much of the waves is wasted over the oceans. It is admitted by all that the less populated Middle West and rural areas have not been adequately served by them.

(C)–Class II stations offer limited service on clear channels.

(D)–The regional stations (III) are assigned 100 to 500 watts and several share a wave length carefully allocated to prevent interference.

(E)–The local stations (IV) have power up to 250 watts and often do not broadcast at night.

Daytime broadcasting is transmitted by ground wave only, which travels out from the station through the ground at varying strengths for about 150 miles. At night the skywave transmission is added, because the sky waves sent out by the station transmitter, and lost in the ether in the daytime, are reflected to the earth at night by the Heaviside layers (phenomenon memorialized by *The New Yorker* magazine of September 2, 1944). The skywave is subject to occasional fading and skips some areas, but makes a clearly received coverage of 700 miles or more possible for a 50,000-watt station

We are on the verge of a development which will unbottle or further bottle up broadcasting. Standard commercial broadcasting has been transmitted by an amplitude modulation (A.M.) system since its inception in the 1920's. In the 1930's a substitute system called frequency modulation (F M ) was proposed by Major Edwin A Armstrong of Columbia University. The new method has many advantages to offer and it is generally agreed that post-war receivers will include both A.M. and F.M reception until such time as a majority of American homes have F.M reception Then it is hoped that clear channel transmission by A.M. will be retained only for such rural areas as are too lightly populated to justify F M. networks. At the end of the war there were only fifty-three F.M. stations and only 500,000 receivers, but there are a greater number of outstanding applications for new F M. station licenses than for A M., now being processed by the F C C. (See Exhibit M, page 295.)

Frequency modulation uses only a ground wave with a radius of fifteen to 150 miles, depending on power, elevation, and so on. Its interference ratio is 100 to 1, as compared with A.M.'s two to one. In other words, an interfering noise must be 100 times louder than the broadcast signal to interfere with its reception. This, in effect, eliminates static, the chances of fading and other obstructions to clear reception. The reception of voice and music is more nearly perfect with F M since it transmits up to 30,000 cycles of the original sound, to A.M.'s 15,000 cycles, which are cut to about 6000 cycles by network wire transmission.* The human ear receives only up to about 12,000 cycle sounds.

Although F.M. stations have a much more circumscribed coverage than A M , they can be linked by unattended booster towers which receive a distant signal, amplify it and send it along to another tower or station, so that an F M. network can be established without the necessity for expensive cable connections. This has a great bearing on the reduction of influence of the few dominant stations located in New York City. An F.M. station and network will be much cheaper to establish and maintain and will bring broadcasting within the range of small business, and educational or civic groups, as well as smaller population areas. For example, the Board of Education of Cleveland has installed an F M transmitter (156 schools can receive the programs in as many as thirty classrooms each) at an overall capital cost of $43,000. The Chicago Board of Education put an F.M transmitter into use in May, 1943

These F.M. stations and networks can be made potentially independent of the few great metropolitan centers and the four national networks if we are wise enough to handle them from a non-concentration point of view, unlike our treatment of A.M They can give local expression a forum in competition with national stereotype Several states have worked out plans to cover the entire state with an educational F.M. network. They hope to forestall individual license grants made haphazardly on a

* Average wire, 5,000, Expensive wire, 16,000, F. M., 30,500.

private commercial basis only, with no objective of universal service.

The third great advantage of F.M. is its admission of many more stations to the air. The 900 A.M stations are seriously crowded in the allotted commercial band Although each F M. station will need a wider wave than an A.M. station requires, the absence of static and interference will permit many more F.M stations to be placed on that wave length.* It is estimated that 3,000 stations are possible on the pre-war F M part of the spectrum and eighteen or twenty may be placed in any one area In the post-war reorganization of the spectrum, when many radio services including F M will move up into the formerly unused high frequencies, there will conceivably be enough wave lengths to accommodate as many F M stations and networks as this country may wish to maintain If F.M rules are drawn with this diversity in mind, this would tend to relieve the speculation in choice and scarce wave lengths which has sent A.M. station prices skyrocketing.

So much for the hope for a more democratic base of owners of licenses. But the mechanical possibilities do not operate in a vacuum. They are operated by men in a mad, often visionless, scramble for monopoly.

More than 83 per cent of all applications for F.M. permits outstanding in October, 1944, were from the present operators of A M. Of the authorized F M. stations 85 per cent are owned by or affiliated with standard broadcast stations To that extent F M has provided no additional diversity We will turn the knobs for programs dished out by the same lucky few.

Although all subsequent rulings have failed to do so, the commission recognized the problem on January 15, 1945, and said in a report:

To keep the door open for later applicants, the Commission is considering the adoption of the following plan 50 FM commercial

* An invention described in *Broadcasting* of March 26, 1945, makes possible F M transmission on a narrow band and easy conversion of the existing 500,000 sets from the present low frequencies to the established higher ones

channels will be available for assignment both to present licensees and to newcomers in the radio field This policy will afford existing AM licensees an opportunity to enter FM if they so desire, and in addition will enable some new persons to participate in FM's early development The remaining 20 FM commercial channels will be reserved from assignment at the present time to be licensed in the future in accordance with rules and regulations subsequently to be promulgated *

The bestowal of F M has further significance, since more than one use of the wave length may be made at the same time. A television and sound program will at some future time come over the same wave length on which a facsimile receiver is turning out a printed story.

These then, in primary terms, are the spectrum and power considerations of the engineers in the broadcasting industry and the F.C C., which must space stations throughout the available ether to achieve maximum coverage and minimum interference, and which must weigh the relative demands of all radio services and needs. These are the engineering factors against which a vigilant public must operate to stop the trends of monopolization that exist today.

## BUSINESS AND CHAIN ORGANIZATION

To secure a station license, an operator must show his ability to purchase and maintain equipment and to broadcast programs in the public interest.

Only a few citizens today are wealthy enough to enter the broadcasting field, where station prices have risen from a range of $20,000 to $500,000 in 1938 to well over $1,000,000 in 1944 To ensure a profitable return on these enlarged purchase prices, the advertising rates must go up, or better contracts must be had with the few corporations which can afford to buy time on the air, or a larger proportion of the station's time must be turned over to sponsored programs and taken from the sta-

* The policy was rescinded under regulations issued in September, 1945

tion's own sustaining programs All three have usually happened. At times the inflated station is run at a loss by an institution like a newspaper, which will derive other than direct financial benefits from it

In the summer of 1944 the Commission wrote a letter to Congress asking for clear jurisdiction over these speculative sale prices which seriously prevent diversity of access to the ether. Commissioner Durr dissented from the majority, believing that the F C C. already was empowered to deny speculative transfers In his dissent he summarized the subject to date The four examples he chose sound like some of the Alice in Wonderland financing which led to the Banking Inquiry of 1933

Station WJLD, Bessemer, Alabama, is a 250-watt station operating on a local channel The replacement cost of all its physical properties, real and personal, is only $12,269, and the original cost $12,019. The net worth of all its assets, tangible and intangible, according to its books, is $14,236 For the year 1943, its net income before Federal taxes and without deduction of any salary for the proprietor was $4,966 The purchase price being paid is $106,000 which is more than *seven* times the net worth of the station and more than *twenty-one* times its net profits before Federal taxes

Station WINX, Washington, D C, is likewise a 250-watt station operating on a local channel, but operates with a booster which serves to extend its coverage The replacement of all its physical properties, real and personal, is only $58,492, and the original cost $56,966 The net worth of all of its assets, tangible and intangible, according to its books, is $48,254 For the year 1943, its net income before Federal taxes was $20,186 The purchase price being paid is $500,000, which is more than ten times the net worth of the station and more than *twenty-four* times its net profits before taxes.

Station WJLD was first licensed only a little more than two years ago and Station WINX less than four-and-one-half years ago The purchase price being paid for WJLD represents a profit of nearly 800 per cent on the cost of its physical properties and over 650 per cent on its net worth The purchase price being paid for WINX represents a profit of nearly 800 per cent on the cost of its physical properties and over 950 per cent on its net worth.

Station WQXR, New York, N. Y., is a 10-kw station and WQXQ is a frequency modulation (FM) station. No figures were before the Commission as to the replacement cost or the original cost of the physical properties involved in the transfer However, the net worth of all of the assets of the present licensee corporation, both tangible and intangible, is $227,037 For the year 1943, its net income before Federal taxes was $30,320 The purchase price being paid is approximately $1,000,000, which is approximately *four-and-one-half* times the net worth of the licensee corporation and nearly *thirty-three* times its net profits before taxes. . .

In each of the three transfers under consideration, the price being paid appears, on its face, to be greatly in excess of any demonstrated value of the properties and business being sold. For what is this excess being paid? Are there elements of value in the transferors' properties and business which are not apparent from the information contained in their applications, or are they selling something they do not own and have no right to sell, namely, the use of a radio channel?

That there are innumerable qualified groups and individuals who can easily afford to buy the equipment needed for a broadcasting company is indisputable. But there is no use talking in such realistic terms. The permits are all issued To get into the sacred circle you have to pay fabulous sums for a transfer of a permit. That piece of paper—that grant of power—is worth anywhere from $250,000 to $1,000,000. The Congress and the F.C.C. have allowed this nasty situation to continue. A tired operator, or one who wants to cash in at a profit, fixes the price —and the F C.C rubber stamps the succession, irrespective of price. The transfer of a seat on the Stock Exchange even before the establishment of the S E C. was subject to far greater social considerations.

In recent decisions the F.C.C has called for public bids in station transfers, but as yet the change of policy has not shown a change in price levels or more widely held ownership diversity.

Congress must move quickly, or the continuation of such a practice will give rise to the argument that a licensee has a

vested right to capitalize on the permit itself. Attorneys for one of the networks already have started to sing that tune.

### THE NETWORKS

The limit on numbers, and the astronomical prices for permits, would not be so serious a danger if it were not for the mammoth network operations. The most ominous and extensive trend in broadcasting, and the most susceptible to simple control, is that of concentrated ownership Four networks, all operating from Manhattan Island, New York City, run the industry. Before the war two of them controlled 95 per cent of the nighttime power—that is, nearly all the total station wattage in operation throughout the country in the most valuable listening hours These two absorbed 51 per cent of the profits of the industry in 1938 and, as a consequence, dominated the National Association of Broadcasters (The N A.B ), a public relations and service association for the trade.

Through the N A B , the N B.C. and C B.S organizations have contested every attempt by other groups of broadcasters, by Congress, or by the F.C.C acting for Congress to curb their imperial activities An American Network was choked off in 1933; the Mutual network was effectively kept out of markets where only one or two stations existed which were sewed up by affiliation contracts with the dominant networks, and the Transcontinental and Atlantic Coast networks never got to first base in 1939-40. This anti-democratic story has never been told to the American public No radio stations have dared to air it No newspaper has thought it was of interest to the people of this nation *

From 1938 to 1941 the F.C C conducted hearings on chain broadcasting practices The F C C. in a sober report terminating the voluminous hearings on chain broadcasting, had recommended curbs, embodied in eight regulations, on network dictation to independent stations The Supreme Court, in 1943,

* A new network, Associated, was formed in September, 1945 In the main it is a cooperative sales organization for independent stations

placed a blessing on these few meager moves of the F.C.C. to prevent monopoly of the air.

A variety of shocking monopolistic and restrictive practices was revealed at the hearings on the complaint of the Mutual network against the N.B C and C B S. Mutual, incidentally, is in a sense a cooperative network of participating stations affiliated with it In cities with two stations or less, Mutual programs could not be heard when the existing stations had exclusive contracts with the two older chains C B S. and N B C. would not allow their affiliates to pick up anything from any other network! Raymond Swing, broadcasting for Mutual, could not be heard in Portland, Maine, or Montgomery, Alabama, because the two stations in those cities were forbidden by contract to take a Mutual program, even if they had free time available There were in 1938 only thirty-six cities in the country with enough stations for each of the four existing networks Our public at times was denied the right to hear even the broadcast of the baseball world series. That is a symbol of *freedom in extremis*!

The second kind of exclusivity maintained by the chain contracts prevented an N.B.C. or C.B.S program from being heard in a city on a non-affiliated station even where the chain-affiliated station did not want to carry the program The following letter from the manager of a Louisville station sets forth a typical result of this "station exclusivity".

The crying about Toscanini being denied the public is especially amusing to me I recall when WGRC made strong efforts to secure the Toscanini series in Louisville At the time there was no full-time Blue outlet in the city The regular National Broadcasting Co outlet had its time occupied completely with National Broadcasting Co. Red commercials The civic music groups, many local musicians, etc , petitioned National Broadcasting Co and the local National Broadcasting Co outlet to carry the show or to allow some other local station to carry it. Both WGRC and the civic music group offered to pay line charges to Cincinnati, if necessary, in order to carry the concerts. But nothing doing Further, National Broadcast-

ing Co. didn't even have the courtesy to reply to our offer All this was before WGRC was a Mutual outlet.

A third restraint on the market was involved in so-called "option time" The network practice had arisen of writing into affiliation contracts the provision that certain hours of the day —the most valuable in view of audience and commercial sale—should be considered network option time and upon request of the network *must* be cleared by the local station affiliate of any earlier program. The dominant networks argued that option time was a necessity for arranging and selling national programs on hundreds of stations. Without it, their attorneys argued, there could be no network operations! Mutual countercharged that option time was used by the dominant networks to chase out programs of any competing organization When the abolition of option time was recommended by the F.C.C., however, Mutual joined the N B C. and C B S. in asking that it be retained in some form for the business convenience of chain broadcasters. The F C.C. regulations now prevent "station" or "territorial exclusivity," and limit option time to three hours out of each sector of the broadcast day, in order to leave a little time in the morning, afternoon and evening for the unhampered use of the individual station I doubt if even three hours of servitude of local stations would long endure if our public is ever informed of this evil There is still considerable civic dissatisfaction with the existing option time arrangement.

In effect, the choice evening hours are absorbed by the mass-appeal commercial programs of the national networks A number of plans have been suggested to Congress for the reservation of a half hour or hour in each quarter of the day and evening schedule for public service or local interest programs, but the cohesion of business sentiment of the press and radio has never allowed these ideas to filter out to a forum of public discussion or wide consideration.

The network domination over local stations was extended by other devices N.B C. and C.B S affiliation contracts were

drawn for a term of five years. The station was bound by the contract for the full five years, but the network could cancel at the end of one year. Do not forget that here is a monopoly—franchised industry imposing restraints far beyond those imposed by businesses not affected with a public interest. In view of the one-year term of the license then granted the station by F.C.C. these provisions were particularly inequitable. F.C.C. regulation 3.103 limits the affiliation contract to one year for both parties, plus sixty days of prior notice. The license period of the F.C.C. has since been lengthened to three years on the ground that the industry is becoming more stabilized.

Regulation 3.105 was issued to restore the station's right to accept or refuse a network program. In view of the limit of 900 broadcasters, freedom of the air had been curtailed by a kind of slavery of small stations. When Station WFBR of Baltimore refused an N.B.C. Red network commercial program because the time requested was being used as a recruiting program by the National Guard, the N.B.C. sent a threatening communication which forced the station to oust the recruiting program in favor of soap promotion. Under our democratic system of broadcasting, we had assumed that the individual station is the licensed and responsible party which should exercise judgment as to suitability of programs. Regulation 3.105 explicitly enjoins a network from interfering with a station's judgment and choice of programs. Instead of four judgments—that is, the networks'—we the listeners are entitled to the full 900.

The exposure of the discriminatory rates and practices which had arisen in the National Broadcasting Company from its ownership of both Red and Blue networks led to the separation and sale of the Blue network to independent owners. The same interests had owned two networks in a tight and limited market. R.C.A., the parent of N.B.C., fought for years against the need of selling one of them. If permitted, it would no doubt have tried to buy up all the air. Dual network ownership had enabled N.B.C. to offer advertising discounts based on time purchased from both networks—block booking at its worst. The Blue had

been used as a "loss leader" to build up the Red commercial schedule. Competition between the two, though seemingly very real to the N.B.C. staff, was obviously merely intra-mural team play when viewed from the outside.

Ownership of two stations in any one city was prohibited by Regulation 3.107. The key stations owned by the two dominant networks were their greatest sources of revenue and their primary points of origin for network programs. Of the twenty-five I-A clear channel stations in the country in 1941, C B S and N B C were the owners of ten. When the F C.C. examined the network practice of owning key stations in profitable centers and of one network owning two stations in each of several cities, it found the practice one which seriously curtailed competition. The network was under conflicting pressures as a proprietor of its own stations and as an agent for affiliated stations. Its own stations, which tied up key broadcasting facilities, were inaccessible to competing network programs The new regulations have eliminated the single ownership of two stations in any one city but have not faced the more difficult economic problem of station ownership by a network

An investigation in 1941 showed Total net sales of C B S. and N.B C in 1938 equalled $44,000,000 Of this the network operators retained $32,000,000 They handed out $12,000,000 to stations. The two networks owned twenty-three stations which were paid more than one third of this balance. They received about $5,000,000 while the other stations not owned by the networks, numbering 253, received only $7,000,000. The overbearingly large profits of network-owned stations were claimed as a necessary reserve source of revenue for possible hard times of radio The F C C report points out, however, that a diversified investment outside the broadcasting field would be much more of a deflationary reserve, since station and network finance fluctuate together

The other claim for network ownership of stations is the alleged necessity for well equipped studios in talent centers. This necessity is disproved by the Mutual cooperative arrange-

ment, which originates and pioneers programs around the country without the direct ownership of the originating station If networks owned no stations there would, no doubt, be a greater amount of origination of programs outside of New York City stations and the very few other originating stations of the networks The real stumbling block to a divorce of station ownership from network operation is timidity of the F C.C. to act without a Congressional mandate.

Other restrictive practices which the hearings and regulations have brought to an end were network dictation of station rates, network ownership of artists' bureaus and network exclusive operation of transcription services At one time the networks tried to corral all the radio talent of the nation by acting as agents for all performers they hired

Each artist bureau owned by a network had a duty in acting for a client—on a 20 per cent commission—to drive a hard bargain with the network for the best terms and salary possible. But being owned by the network, it had an obligation to hire the artist as cheaply as possible This thoroughly dishonest conflict of interests did not disturb the men who ran the networks Their attorneys publicly defended this double dealing. Such were and still are the ethics of monopolists, even though the investigation by the Federal Communications Commission ended this particular evil practice.

The networks, and their counsel, claimed that the regulations if enacted would "result in the eventual destruction of national program service" and "destroy the American system of network broadcasting." But the industry has gone on to higher pinnacles of profitability in 1943, 1944 and 1945 without a word of thanks or apology to the F C C

The network mouthpiece, the N A B, circulated reports, bulletins and quantities of colored news to the 900 stations, the press—often more than friendly on the score of ownership interrelations—and the legislators of state and nation. One example of the untenable but persuasive publicity put out by the two big networks and the N A B. was the cry of "radical reform

leading to the overthrow of American broadcasting," which ran all through the F C C. hearings and subsequent legal proceedings on chain broadcasting practices from 1938 to 1943. To all of this and much more the public never was given the other side of the debate. There was no market place open to all points of view One third of the stations have financial affiliations with newspapers. The pipeline to the public was less than adequate for an informed people which must, or rather should, be the mainspring of public action But the one-sided campaign did not stop there A letter inspired by N B C. was sent to Congress by sixty-three ministers, led by Dr. Harry Emerson Fosdick:

We, the undersigned Christian ministers of many different denominational backgrounds, who have had the privilege of using the radio networks of the National Broadcasting Co , appeal to you in this letter because we are convinced that all programs of religious broadcasting stand today in serious peril

The recently issued report of the Federal Communications Commission, if put into effect, would, in our judgment, greatly curtail the opportunity for such nationwide service and would jeopardize cultural, educational, musical, and religious broadcasting in general . . .

The action proposed by the Federal Communications Commission seems to us hasty, drastic and ill-considered Before so radical and precipitate an action is taken, we appeal to you for a full and searching investigation of this entire question, in the endeavor to determine whether the present organization of the radio industry or the proposed alternative will better serve the interests of all the people.

In time of crisis, when morale is vitally important, and when a spiritual ministry of nonsectarian character is by common consent needed as never before, it seems to us deplorable thus to throw religious broadcasting into confusion. Certainly we feel sure that no such action should be taken except after thorough investigation and upon convincing evidence of need

Respectfully yours,

HARRY EMERSON FOSDICK.

I wrote to Dr. Fosdick, a great liberal divine, to ask what he knew about the F.C.C. inquiry and the facts developed therein. He freely admitted he had never seen or read the F.C.C. report. He and the sixty-three ministers must have felt some chagrin in watching the expansion of their audience over an enlarging network and the maintenance of their broadcasts under the F.C.C. regulations—broadcasts which they may now realize are threatened only by the increasing portion of commercial time sold by the networks at the expense of sustaining programs. I do not charge these ministers with any corruption, but I do suggest that free time for their sermons may have clouded their vision and made them a little too careless in passing judgment without scrutiny.

Mr. Justice Harlan said in the Northern Securities case that, "It is the history of monopolies in this country and in England that predictions of ruin are habitually made by them when it is attempted, by legislation, to restrain their operations and to protect the public against their exactions."

The other priceless service of the N.A.B. to the big networks, and to a good many station owners, has been the iteration and moral enforcement of the N.A.B. code. In 1939, a year after the opening of the hearings on chain broadcasting, the N.A.B. published a code to guide individual station managers in the selection and editing of programs. The code was the product of careful deliberation in the industry and was universally greeted, both in and out of the industry, as a noble standard. Its very origin was invalid, for it arose from a desire to ban a violent clergyman from the air. To do so they invented a dangerous formula.

The code, amended from time to time, calls for the careful supervision of children's programs, generous time for educational and religious programs, accurate and fair presentation of news without editorial bias and some limitation upon commercial copy. Certain types of advertising are banned. Time must be sold, as required by legislation, on an equal basis to all parties during election campaigns. But the two provisions of the code

which have brought it to grief are those dealing with controversial issues and solicitation of memberships.

CONTROVERSIAL PUBLIC ISSUES . . Time for the presentation of controversial issues shall not be sold, except for political broadcasts. There are three fundamental reasons for this refusal to sell time for public discussion and, in its stead, providing time for it without charge. First, it is a public duty of broadcasters to bring such discussion to the radio audience regardless of the willingness of others to pay for it. Second, should time be sold for the discussion of controversial issues, it would have to be sold, in fairness to all, with the ability and desire to buy at any given time. Consequently, all possibility of regulating the amount of discussion on the air in proportion to other elements of properly balanced programming or of allotting the available periods with due regard to listener interest in the topics to be discussed would be surrendered. Third, and by far the most important, should time be sold for the discussion of controversial public issues and for the propagation of the views of individuals or groups, a powerful public forum would inevitably gravitate almost wholly into the hands of those with the greater means to buy it.

SOLICITATION OF MEMBERSHIPS—Solicitations of memberships in organizations, except where such memberships are incidental to the rendering of commercial services, such as an insurance plan either in respect to casualty to life or property, or for membership in the American Red Cross or like organizations engaged in charitable work, are deemed to be unacceptable under the basic theory of the Code and, therefore, time should be neither given nor sold for this purpose.

It has become apparent and rather generally admitted in private discussion in the six years of the code's use that these two clauses have been a cloak under which to hide discrimination against labor, cooperative, consumer and minority group programs reaching the public. If a union offered to buy time, it was almost universally refused by the N.A.B. stations on the ground that a labor program was essentially controversial. A consumer cooperative which requested commercial time to advertise a manufactured product was similarly refused, on the

double basis of being controversial and a membership-soliciting institution. C.B.S turned down one cooperative's request with the explanation "The offered programs were clearly controversial in nature, being designed to promote a fundamental change in the present system of marketing and distribution of goods and services, whereby cooperative associations would largely supplant stores and other common distributive establishments."

When Mark Woods of the A.B C was cross-examined on the logic of this attitude, in an F.C C hearing of 1943, he maintained that a membership-selling mutual life insurance company would be sold time, but not a cooperative manufacturer, that the Ford Motor Company could broadcast opinionated discussions by W. H Cameron as a commercial program, but that a labor union would not be sold time to sponsor a symphony orchestra. In other words, labor was to have no access to radio "good will," let alone to radio as an advertising medium. A.B.C, incidentally, bravely reversed its position and threw the door wider open than it has ever been thrown by a network.

Instances of censorship under the code are found on all sides A memorial broadcast dedicated to Heywood Broun in 1941 was censored of the words "and (Broun) started the Newspaper Guild" N B C. would not broadcast a transcription of President Roosevelt's voice reading Broun's famous Christmas column. The Committee for Harry Bridges could get no radio hearing in 1941. The New York Industrial Union Council could not buy or receive time to tell people to register for the coming election A transcription campaign of the Cooperative League was refused by C B.S and N B C. for a long period, until public outcry and Congressional pressure effected a compromise with the networks.

The cutting off of labor from access to commercial radio time was not, of course, compensated by the free gift of sustaining time As is true of all interests which must compete for free time, labor was thereby limited to the less favorable listen-

ing hours, without the chance of continuity of radio appearances or of reaching a desired audience

The N.A B Code Manual shows the extent of labor censorship encouraged by the Code and the narrow interpretation put on free speech and representative programs by the small and homogeneous group of radio station owners

LABOR ON THE AIR Discussion—or dramatization—of labor problems on the air is almost always of a controversial nature Even the so-called facts about labor, such as the American Federation of Labor's audited membership figures, are usually challenged. Therefore, the presentation of a labor program usually calls for at least one other program because of the division in the ranks of organized labor. It is not always possible to balance a labor program with an employers' program The organized labor movement is divided into three principal segments, each bitterly opposing the other These are the American Federation of Labor, the Congress of Industrial Organizations, and unaffiliated unions, large and small, scattered throughout the country. If Philip Murray, the Congress of Industrial Organizations' chief, for instance, took the air to assail the National Association of Manufacturers, the American Federation of Labor, and the International Ladies' Garment Workers Union, proper balance would require that all three be offered time to reply The situation is further complicated by the fact that employers, as a rule, won't discuss their labor problems on the air and are inclined to frown on those stations, especially in smaller communities, which open their facilities to labor leaders

Allen Haywood of the C.I.O made the point at the F C C hearings in 1941 (Docket 6051) that "the attempt of unions to obtain time on the air is frequently made for the purpose of offsetting propaganda and misrepresentation in the daily press," for labor generally feels that the press, owned by big business and dependent on advertising, does not fairly represent it "Some of the more glaring instances of discrimination against labor unions have been committed by newspaper-owned stations"

The C.I.O. reported to Congress in 1943 on the effect of the

labor stand of the broadcasters that "it is true that labor organizations have not been completely barred from buying time, but that is only because not all radio stations belong to the N A.B., and because some of the stations which do have elected, upon occasion, not to comply with the N.A.B code. On the other hand, the influence of this code extends far beyond the membership of the N A B. and may be said to reflect the general policies of the whole radio industry."

The C I O. launched a publicity attack in 1944 on the broadcasters' use of the code to turn down requests for union programs. Its complaints to the F.C.C. culminated in the petition to revoke the license of Station WHKC of Columbus, which censored speeches and parts of scripts broadcast by a C I.O. local. As a result of the attention brought to bear on the subject, one broadcaster after another has announced a new policy in regard to labor programs.

The A B C.'s new owner, Edward Noble, had written in 1943.

> I am prepared to say that my policy, stated in general terms, will be to refrain from adopting any restrictions which will automatically rule out certain types of programs on the basis of the identity or personality of the individual, corporation, or organization sponsoring or offering them I propose to meet each request for time with an open mind and to consider such requests strictly on their individual merits and without arbitrary discrimination.

Carrying out this philosophy, A.B C. can forever be proud that it was the first network to sell time to trade unions for controversial issues.

Station WMCA of New York and Station WHKC have made similar statements of policy The N.A.B. Code Committee was in the process of reconsidering the subject in 1945, but even if the written code remains unamended, the more equitable interpretation by individual stations may follow

These severe limitations on the areas of discussion over the air must be charged to the domination of the two networks

They used their power over the industry to diminish diversity of opinion.

Whether or not labor has anything of value to say on the air is not the question. We are faced with the fact that several large sectors of society cannot, generally speaking, get through the bottlenecks of the air. I am concerned primarily for the public Without an informed public there are no enduring answers to problems touching labor. Radio has not given listeners that diversity of points of view to which a democratic society is entitled. In both the movie and radio industries we find the cloak of a code used as an agreement in restraint of trade in ideas.

Whatever might be said as to the rights of single broadcasters to accept or reject a program, the situation is fundamentally different when a group of stations agrees on unified formulae for exclusion It is the horizontal agreement to limit subject matter on the air which acts contra diversity, and cuts down competition of ideas on the air

As the radio industry came to fruition in the 1930s, the network system of broadcasting became an economic essential Network affiliation has been growing steadily, and even the introduction of two networks (Mutual in 1934 and the A B C. in 1943) to compete with the original N B C Red and C.B S. chains has not altered the essential trend toward concentration of economic power and a few units of increasing size The skill and business acumen of the industry leaders, together with world events, has been building the four networks to the point where N.B C. received (before taxes) a 190 per cent return on the value of its property in 1943; C B S. a 158 per cent return, the A.B.C. 149 per cent, and Mutual, 84 per cent Of the $307,000,000 grossed by the industry in 1943, 50 per cent of the profits have gone to the four chain organizations—the other half distributed among the 900 operating stations

With such profits it may not be unreasonable to suggest that all stations should be compelled to give the public some programs each day—programs for which stations get no pay

from advertisers, programs in which the licensees believe, programs in which they as publishers or editors have a deep concern, programs which will truly test the licensees' appreciation of these semi-monopolistic franchises given them by the people of the United States.

### WHO OWNS THE AIR

The business interests which own the present four chains, the 900 individual stations—950 in 1944, including F.M—and which preponderate in the applications for F.M and television stations fall into a few major groups

The largest chunk of concentrated ownership lies with the radio manufacturers. R.C.A. owns the N.B.C. network, the first and most expensive. Anti-trust action in the radio patent field has been taken sporadically over the years, but in 1945 R C.A. still remains in the dominant patent and manufacturing position. This came to R.C.A by virtue of its early start (in 1919, the year before the start of broadcasting)—its shrewd linking of manufacturing, distribution, broadcasting, talent, communications, training and countless other radio functions Its mammoth size and its influence can be traced in every direction Of its $326,000,000 gross in 1944, $244,000,000 came from its manufacturing activities, $25,000,000 from its communications and miscellaneous activities and $57,000,000 from its broadcasting network.

Report on Chain Broadcasting states·

RCA was originally founded to utilize wireless techniques for the transmission of messages; today it bestrides whole industries, dwarfing its competitors in each Every new step has not only increased RCA's power in fields already occupied, but has enhanced its competitive advantages in occupying fields more and more remote from its beginnings

Thus, for example, RCA's control of thousands of patents, and its experience with and ownership of prebroadcasting wireless transmitters, as well as its support from General Electric and Westinghouse, gave it a running start in the infant radio-broadcasting indus-

> try. Later, RCA's position as the leading distributor of radio receivers enabled it to enter the business of selling radio-phonograph combinations in cooperation first with Brunswick and then with Victor, and subsequently to acquire Victor, the leading phonograph and phonograph record manufacturer. This step-by-step invasion of the phonograph business, in turn, gave RCA entering wedges into the transcription and talent supply business, RCA-VICTOR artists broadcast over NBC and made RCA transcriptions while NBC artists recorded for RCA-VICTOR. The result was to give RCA and its subsidiaries a marked competitive advantage over other broadcasting companies, other radio manufacturers, and other phonograph and phonograph-record companies. RCA's entry into the motion picture field, first through RCA Photophone and then through RKO, was also a step-by-step process, and similarly buttressed RCA's competitive position in other spheres. Today, with its patents, managed artists, manufacturing plants, distribution facilities, personnel, experience, and financial strength, RCA has a tremendous competitive advantage in occupying such newly opening fields as frequency modulation (FM), broadcasting and television—an advantage which may, indeed, discourage newcomers in fields where RCA has become or seeks to become dominant.

Even with its sale of R.K.O.—one of the movie giants—and the separation of the Blue Network—now the American Broadcasting Company—and the artists' bureau eliminated from the remainder of its broadcasting organization, as a result of a vigilant F.C.C., we can well question the advisability of allowing one of our four networks to remain a portion of such an empire.

The report continues:

> RCA occupies a premier position in fields which are profoundly determinative of our way of life. Its diverse activities give it a peculiarly advantageous position in competition with enterprises less widely based. Its policies are determined by a management subject to little restraint other than self-imposed.
>
> Whether this ramified and powerful enterprise with its consistent tendency to grow and expand into new fields at the expense of smaller independent concerns is desirable, is not to be decided here (by the F.C.C.). We have thought it proper, however, to call the

attention of Congress and the public to the broader problems raised by this concentration of power in the hands of a single group

Of course the F.C.C. has no way of calling this serious situation to the attention of the public There is virtually a blockade against criticism of giants in the press or over the radio.

The position of hegemony occupied by R.C.A. in radio manufacturing and broadcasting would be beyond reproach or envy if it did not lead R.C A. to the same anti-social activities that bigness and concentration always inspire The confusion of the ether after the first World War, the delay and withholding of foreign news in the post-war years by the cable companies, the slow adoption of F M , the present struggle in television and the high price of coaxial cable use by broadcasters, keeping small stations from network service, are radio developments which have in the past and may in the future militate against the public interest in the exploitation of the air waves. R.C A played a guiding role in each instance.

Back in 1919, when the vital story of the Versailles Peace Conference was awaited in America, commercial messages were getting priority over press dispatches and forcing twelve to thirty hour delays in news transmission Also a German-R.C A agreement routed all Italian messages through Germany. In 1922 the *Chicago Tribune*, *New York Times* and *Philadelphia Ledger* set up a receiving station in Halifax to escape the restrictions of the General Electric-R C A. combine and were later joined by news services and other papers. They met great difficulties in obtaining the necessary equipment and, in 1929, when Press Wireless was formed as an amalgam of the foreign news interests, an agreement had to be signed with R C.A. which called for a 45 per cent profit to R.C A. on apparatus bought from G E and 5 per cent royalty on gross receipts. (See Exhibit N, page 296.)

Today R.C A. holds the largest group of television patents—764 in December, 1943—and anyone moving into that field must do business with R.C A

The obstruction of F M. development can clearly be laid at the door of R C A. F M.'s inventor and champion, Major Edwin Armstrong, has related what R C A. did to restrict our right to listen. (See Exhibit O, page 297 )

R C.A 's early dealing with the Bell System left to A. T & T the clear monopoly over wire transmission of broadcasts Broadcasts are linked from station to station in a network by high quality wire, called coaxial cable, leased from the Bell System, for which the charge is $1,800 to $3,000 an hour. The N.B C. spends $4,000,000 on wire charges annually, C B.S. $2,000,000, and Mutual, $1,000,000. Some rural and marginal stations cannot afford network contracts because of prohibitive wire charges The F.C C. has investigated these charges and brought about large reductions, but wire transmission is still a costly matter. An increasing use is being made of radio relay instead of wire relay, but with the present crowding in the radio frequencies and the experimental status of relay performance and equipment in the higher frequencies, radio relay development lies in the future

Zenith, Finch, Westinghouse, Philco, Farnsworth and Du Mont are among the twenty-five other radio manufacturers owning A M , F M and television stations, but all of them together hold a comparatively unimportant position compared to R C.A.'s. Finch, which owns facsimile patents, does not appear, despite some recent advertising, to be pressing facsimile use, perhaps for fear of upsetting its present flourishing business

The moving picture companies are showing more interest in broadcasting as television days approach but are not a large sector of radio ownership Nor have advertising agencies invested in station ownership to any great extent.

As discussed earlier, we must keep in mind the fact that the four networks own not only thirty stations* but that these are the most powerful and fortunately placed ones—including fourteen of the country's twenty-four clear-channel stations

* C B S., 8, N B C., 6, A B C, 4, Mutual is a cooperative, but 9 stations and 2 regional chains are represented on its Board of Directors

The cohesive business interest next in importance to R.C.A.'s in its effect on broadcasting is publishing. Of the 912 A.M. stations in 1944, 298 were owned in part or in full by newspapers. Henry Luce of *Life, Time-Fortune* bought a 12½ per cent interest in the American Broadcasting Company—formerly the Blue Network—but sold it to majority owner in October, 1945. Sixty-five of the 157 F.M. applications in May, 1944, were from newspaper interests. Termination of the F.C.C. newspaper investigation has increased the proportion received since then.

The proportion of newspaper owners of radio stations increased 3 per cent in ten years (1931-1941) when wartime conditions began to govern the market. Eight of the newspaper-owned stations are on clear channels. No one can deny that newspaper interest in radio is a natural one and that some of the best stations in the country are owned by newspapers. The conflict of interest in the dual ownership has, however, resulted in certain practices detrimental to fair competition, and the dual ownership destroys diversity of opinion.

"We both know," wrote a Hearst radio executive in October, 1940, "that networks lean over backward to affiliate with newspaper-owned and managed stations." And in July, 1939, an N.B.C. sales letter boasted that 40 per cent of the Blue Network—now the American Broadcasting Company—was newspaper-owned.

Careful hearings on the subject before the F.C.C. in 1943 led to no government action or policy in the field, but brought to light serious considerations for the listening and governing public. The most serious conflict between the two interests raged from 1932 to 1939 in the news services. For fear of news competition from the infant radio industry, the newspapers denied their newsgathering services for radio use, a clear violation of our anti-trust legislation.

After a couple of years of news piracy and sniping, a press-radio agreement was signed, in 1934, to forestall a C.B.S. news service of its own. The agreement restricted radio stations to five-minute news summaries timed to follow newspaper edi-

tions at 9.30 A.M. and 9 P.M.—just long enough to whet the listeners' appetites for their newspaper reports. The stations were to "stay twelve hours back of the news." It was "understood that when a radio station began broadcasting news other than that received from the Press-Radio Bureau, their programs would be dropped from the newspapers and that ordinary publicity channels for news materials and pictures would be closed to them."

I know of no business action ever taken by the most powerful tycoons of industry to equal this restraint on the market. It was brazen and arrogant. The public had no access to the market place of criticism and any public official fighting both the press and the radio must be a sacrificial lamb. Station WOR in New York City openly flaunted the agreement but the New York papers did not dare use economic sanctions against a station owned by an advertiser of the proportions of R. H. Macy & Company.

This attempt to protect the publishers' "property rights in the news" failed when Transradio Press was organized in 1934 for radio's own use. Transradio's service was hampered whenever possible by the newspaper associations—in the press galleries, in the reception of cable news, in the publication of radio logs by newspapers. The U.P. and I.N.S. gradually were forced to deal with radio stations considered competitors by local newspaper members. Finally, when the three press associations started to cheat on each other, the A.P. service was sold to non-newspaper members—in 1939 to networks and in 1940 a special radio department, Press Association or P.A., was established. P.A.'s news was for the first time available to commercial sponsors, though sponsorship of news had been one of the issues of the press-radio news fight. Today U.P. and I.N.S. receive one third of their revenues from broadcasting stations and some of the networks resell these services to sponsors at a profit to the networks.

While refusing to serve radio stations in the early days of this controversy, the news services gave preferential rates to

newspaper-owned stations and used an "asset value franchise" in some instances to protect a newspaper-owned station against a non-newspaper-owned station The Cowles *Des Moines Register and Tribune* and its three stations used their influence to restrict the news supply of Station WHO for a number of years.

The monopolistic agreement between R.C.A and Press Wireless, in 1929, mentioned earlier as an instance of patent controls blocking a radio development, is also an instance of newspaper and radio interest at loggerheads, with the public suffering the consequences of service limitation.

A questionnaire circulated by the F C C and reported in 1941 on discriminatory practices of newspapers against radio stations not owned by them disclosed that of 801 stations surveyed more than a quarter of non-newspaper stations complained that papers would not print their program logs Eight and a half per cent of newspaper-owned stations complained about other newspapers More than one third of all stations received no free logs Twenty-two stations—only one newspaper-owned—were refused log publication *even* at space rates.

A number of papers exchanged program log publication for radio time More than one half of the press-radio stations used joint agreements on advertising rates and discounts, with publicity and merchandising services offered by the papers to the station's clients.

The display ads of thirty-six stations were refused by competing newspapers. Two hundred and eighty-eight stations, nearly one third the total, were given no news space by their local newspapers "as a general policy." One hundred and seventy-nine stations asked for more fair and accurate treatment by local papers.

I have placed in an appendix the F.C.C. report on Charleston and Kansas City as examples to show the extent to which these evil practices have disturbed the market places of thought. (See Exhibit P, pages 298, 9.)

The Hearst newspaper policy particularly dominated its radio branch Newspaper editorials were presented over the air

as news comment Certain subjects in disrepute with the owner —A.S.C.A P , "Ham and Eggs" in California, and labor unions —were banned by Station KYA by direction of the *San Francisco Examiner*. There were tie-ins of time sales, newspaper ads and listings, and movie slides offered to radio sponsors Hearst magazines paid for time on Hearst stations in order to distribute Hearst profits and losses more evenly and avoid tax payments. Newspaper-owned stations secured a discount from A S.C A P in 1932 "to pay one third less than the rate applying to non-newspaper-owned stations."

The most serious threat to democracy and free radio inherent in the increasing proportion of newspaper ownership of broadcasting is, beyond a doubt, the existence of 114 towns where the only radio station was associated with the only newspaper ownership.

A survey reported by the F C.C. in 1941 shows the following singleton town bottlenecks

801 stations surveyed,
353—only station in city,
111—only station in city was associated with the only publisher,
3—only two stations in city associated with the only publisher.

The publishers countered the charge of communications monopoly by claiming that even in the so-called 1-1 cities there were outlets open to the citizens outside the daily newspaper and the one radio station, such as weekly and out-of-town newspapers and radio stations located in other cities But 58 per cent of the 1-1 cities do not receive *any* out-of-town radio service. Twenty-five of the cities had weekly newspapers, and there was an out-of-town newspaper circulation of only thirty-five to every 100 local newspapers. The answer of the attorney for C.B S. who also defended unlimited merger of radio and press, was based on the argument that if a single sound wave or printed

word came into such a closed area, that in itself was freedom enough for the people of the community.

But in the 1-1 cities there is too much concentration of communication and expression. The 1-1 cities include a large number of American communities, even though they tend to be the smaller ones of the country. Should the public air waves be licensed, even to such a small extent, to a monopoly of expression?

Here are a few examples of the type of cartel which exists in many parts of the United States.

In Houston, Texas, Jesse Jones, the banker and publisher, owns one station and controls the two others through close financial and personal relationships. The application by Judge Roy Hofheinz for a fourth and independent station was contested by the Jones station and only granted after Hofheinz showed the very small proportion of public service or war promotion time squeezed between the profitable commercial programs of the three existing stations.

In Greenville, S. C., Station WMRC was kept from securing any news service by Roger C. Peace of the local newspaper until it sold a 49 per cent interest in the station to Peace. An I.N.S. contract was forthcoming nine days later.

Comparable stories about conditions in Nashville, Columbus, Miami and Bellingham, are in the F.C.C. record. Newspaper ownership and radio-manufacturer ownership of broadcasting outlets demonstrably have special interests to serve, which tend to contravene the public interest in the optimum use of the air waves.

Persons or corporations owning *two* or more stations are listed in *Broadcasting Magazine* each year. While the number of affiliations has been increasing up to the present 730, the decreasing number of chain owners of recent years indicates not only a concentration of broadcasting ownership but also a diminished diversity of programs. In 1942, 166 chains of two or more stations were listed; in 1943, 37; in 1944, 31; in 1945, 30. These totals include the four national networks and the

regional networks—like the Yankee and the Don Lee—that form part of the four national chains

The narrowing bottleneck of standard broadcasting ownership is being overlooked in the concern aroused by its results. The high price of network time and of stations and the squatter sovereignty of frequencies are removing standard broadcasting, if not yet F M, from the reach of new enterprises or average men. Topping all that, the wedding of the press and radio further limits the small number of men who hold the power to influence public opinion. In such few hands even the most honorable and honest of owners will become less than adventurous. They are now virtually immune from wide public criticism The basic principle which should govern a healthy distribution of licenses was stated by the F.C.C. at the time of the enforced Blue Network sale on October 12, 1943

> The mechanism of free speech can operate freely only when the controls of public access to the means of a dissemination of news and issues are in as many responsible ownerships as possible and each exercises its own independent judgment.

We are far from that state of affairs.

### ADVERTISING BOTTLENECK

The economic dependence of the individual stations upon the networks has been apparent even without the voluminous public testimony taken before the F.C.C and Congress from 1938 to 1943, little of which ever reached the public. Since 1943 the newsprint shortage and the increased pace of war-time living has turned advertisers and listeners more and more toward radio The costs of Hollywood and Broadway talent—of symphony orchestras, of prompt news coverage from world battlefronts—required wholesale, nationwide operations Only very remote and isolated stations, or endowed broadcasters, can afford to program seventeen hours a day without the aid of network service. But only very large business can afford to pay the $10,000 charge for one hour of national network evening time

A few regional networks operate on a smaller scale, but most of these—like the Don Lee on the West Coast and Yankee Network in New England—also function within the Mutual system.

Approximately 30 per cent of the entire revenue of the affiliated stations comes from the national networks In addition to this, the wide listening audience which an affiliated station is able to build up through the use of popular network programs, and the consequent increase in the effectiveness of the station as an advertising medium, results in a substantial increase in the saleability of non-network time.

The value of network affiliation is strikingly illustrated by the fact that in 1942, the last year for which complete figures are available, the net income (before Federal income taxes) of the average network affiliated station was more than fifteen times the net income of the average unaffiliated station It is apparent that an affiliation contract is the biggest economic asset a station can have. Many of them could not survive without network affiliation, and few of them could prosper without it

In addition to the direct utilization of more than half of the broadcasting hours of their affiliated stations, therefore, the networks, with this power of economic life and death in their hands, are in a position to influence strongly, if not to direct, the general program policies of the affiliated station even with respect to non-network time

But a further examination of the situation shows that the networks themselves are far from being free agents They are dependent upon their advertisers . .

This is the indictment of Commissioner Durr in a recent well-documented article ("Freedom of Speech for Whom," Clifford J Durr, *The Public Opinion Quarterly*, Fall 1944, pp. 395-96 )

At most 300 businesses are large enough to buy national network time at all, and these 300, with war-time prosperity and tax law encouragement, are preempting larger and larger sectors of all broadcasting time. Commissioner Durr states. "One eighth of N.B C.'s entire advertising business came from one advertiser, and two advertisers provided almost one fourth. Ten ad-

vertisers accounted for nearly 60 per cent of its business. One seventh of Blue's advertising business came from one advertiser, and two provided approximately one fourth Over 60 per cent of its business came from ten advertisers To a slightly less degree, the same situation prevails in the case of C B.S. and Mutual" In 1943, 144 advertisers provided 97 2 per cent of all revenue of our national networks.

Seventy per cent of all station revenues comes from national and regional advertisers—whereas 70 per cent of newspaper advertising comes from local advertisers The number of advertisers decreased 25 per cent in the five years, 1937-1941, and in 1941 eleven advertisers accounted for 50 per cent of the total network revenue

The relative place of broadcasting in all national advertising is revealed by 1943 statistics *Broadcasting Magazine* of September 18, 1944, reported $298,000,000 spent by 100 leading advertisers in all media—$126,000,000 to the four networks, $103,000,000 to magazines, $61,000,000 to newspapers and $8,000,000 to other media.

The multiple costliness of television may accentuate this advertiser domination Commercial time may only be within the reach of a few manufacturers of national products with mass appeal. Borkin and Waldrop, on the other hand, think it possible that the television medium may repel overt advertising material, as moving pictures have done.

When these few advertisers—falling mostly into the four fields of automotive, drugs and cosmetics, processed food and tobacco manufacture—use only a few advertising agencies to prepare their programs and arrange their broadcast accounts with the four networks,* the narrowing funnel of broadcasting and its possible effect on public access to the air becomes a matter for profound national concern

When you recall that a milk company censored the song, "The Old Oaken Bucket," from its program, a cigarette

* Landry reports that one third of all sponsored programs were prepared by agencies in 1929, 80 per cent in 1934.

company deleted the song, "Smoke Gets in Your Eyes," and a cigarette advertiser deleted a reference to "camel-hair coats" the rigid intellectual limits of commerce in general must be added to the financial limitations of bigness.

In an oft-quoted bit of frank testimony by the president of N.B.C., Niles Trammell, before Congress in December, 1943, the matter was summarized

> The argument is now advanced that business control of broadcasting operations has nothing to do with program control This is to forget that 'He who controls the pocketbook controls the man' Business control means complete control and there is no use arguing to the contrary.

The greatest single asset of the networks in their drive for continued monopoly of thought lies in the ignorance of the public—an ignorance perpetuated by the failure of the networks to allow any debate or discussion of the problems above mentioned As an able ally for continued blackout of such discussion, we find the newspapers of the land—more particularly those having radio interests There is no other big business in the United States which can boast of similar power to prevent an informed public from considering consumer—in this instance audience—problems.

### PROGRAMS

Programming, as the third requirement of broadcasting, is obviously affected by the economics of the industry. The broadcaster is examined on his program schedule and intentions by the F.C C and must show a sufficient measure of intended public service before receiving a license Only five stations in all broadcasting history have had their licenses revoked for improper program schedules—two for fraudulent broadcastings about fake medical cures and irregular stocks, two for false statements regarding ownership, and one for libelous and prejudicial broadcasts against public officials and religious groups

As much commercial time is sold as the station or network

desires and the advertisers' budgets permit. The remaining time is called "sustaining" and is programmed by the station or network staff or given free for the use of groups who request it

Commercial time is paid for by the advertiser or sponsor. Its program is composed by a handful of large agencies. The agent may buy an existing program or may arrange a new program, composed of "live" talent broadcasting from a studio or picked up in action by microphones. As an alternative to a "live" program, an advertiser may prepare a number of transcriptions which can be sent to a selected list of stations on phonograph discs, perhaps through one of the transcription network companies like Keystone or World Wide. Recording on tape is not far in the offing

The commercially sponsored program is constructed to fit the number of stations, kind of audience that will be listening at that hour, part of the country and other special circumstances which have been chosen to promote the sale of the sponsor's product or, in war-time, to enhance the public view of his industry.

In early transcriptions the reproduction was inferior to a live program Today its reception may be superior, since some of the fidelity of the live program may be lost in wire transmission over a network. For some years certain of the networks refused to permit transcription of programs arranged in their studios by outside companies, but an F C.C. investigation and public pressure has brought more competition and service into the transcription field Congress has ruled that transcriptions must be identified in the broadcast so that no listener may be misled. In many cases a wider network coverage may be arranged, and the country's time zones reconciled by the use of both live and transcribed broadcasting

The cost of a transcribed program broadcast over a large number of stations is likely to be considerably less than a live broadcast and well within the reach of public service groups or small business In practice transcriptions have not been exploited to the full by non-commercial interests. They have been widely

used by advertisers for "spot" announcements and programs and have kept many a local and regional station in the black A speech by Vice President Henry A Wallace, in 1943, on small business problems was used by 579 stations—by some more than once—reaching a wider audience than any network had to offer and at relatively small expense. Labor, consumer, cooperative and public health groups have not, however, acquired much of a radio hearing by transcriptions, partly because of their unfamiliarity with the process and partly because of conscious broadcaster resistance to their message in any form

The National Association of Manufacturers reached a nation-wide audience on free time with the series of "businessmen's" transcriptions it offered to every station in the country in the summer of 1944. Under the signatures of key advertisers, Alfred P. Sloan of General Motors and E I du Pont de Nemours, and James S Adams of General Foods—three corporations which account for about $4,000,000 in radio advertising each year—the series was described as an exposition of the businessman's point of view on post-war problems

A similar transcription series on price rollbacks was refused by the stations to which it was offered free by the C I O in 1942, but with the new "know how" distributed to labor in the C.I.O. *Radio Handbook* of 1944 and the new attitude toward union broadcasts which the A.B C.—formerly the Blue Network—Station WMCA, and Station WHKC have announced in recent months, perhaps other groups than large advertisers may secure access to sustaining time through transcription series.

Trade unions, to prevent unemployment, have tended to limit transcription radio This was a defensive move against the networks which have been trying under the aegis of counsel for C B S. to dominate all of the music of America The networks have control of the record business—an N B C pursuit—and attempt domination of music copyrights through Broadcast Music, Inc —a C.B S. pursuit. The latter has many of the dangerous possibilities of the Associated Press in the newspaper field, without any of the original economic or social justifica-

tions. It was provoked by the previous inept and undemocratic control over music by A.S.C.A.P.—a cooperative society of music writers and publishers. A.S.C.A.P. had been organized as the only way for individual musicians to get any compensation for their efforts from networks and other enterprises which would use music without payment, if possible. The courts recently curbed the powers of A.S.C.A.P. and it is now high time for B.M.I. to be given a complete overhauling.

The combination of a scarcity of wave lengths and an increasing profitability of commercial programs has crowded out the non-commercial radio forums. One hundred and twenty-eight educational institutions launched broadcasting schedules at the outset of radio in the twenties, but half of them have dropped their broadcasting activities, and only fifty-one remain today. Cornell University maintains its program service by 20 per cent commercial operation and 80 per cent non-profit educational programming.

The effect of "the American system of broadcasting" on the programs of American radio can clearly be seen in this field. Subjects with a wide common denominator of interest appear as the breadwinners of the big networks. They are expensive to produce and reach a national audience. Local symphonies or foreign language programs appear as the high spots of the non-profit stations. They are inexpensive to produce and reach a selected audience. But the American system, despite commercial dominance, implies common rights in the air medium—the right of the thoughtful person as well as the teen-age potential consumer of cosmetics and soap. The stronger contender, commercial radio, has been pushing the weaker non-profit station and programs from the spectrum.

In our distorted radio market the Gog is quantity and the Magog is dollars. If there were a competitive free market, we could allow the valuable forces of profit motive to run their course. Dollars and social values are not incompatible in a free market. In a monopolistic market social values give way to dollars.

F M. may revive our chances for a greater variety of programs desired by scattered groups, provided F M.'s capture by networks is prevented by alert community radio councils, civic and educational institutions, plus legislative action.

The stations which need not worry about profitable operation have offered the most generous amounts of time for educational or consumer interest programs, language programs, or farm and market programs for necessarily circumscribed groups of listeners. The audience for opera and the famous symphony orchestras has been increased tremendously by network—and commercial—sponsorship, but a comparison of the schedule of the Ohio State University station and the N B C log for a day or week indicates the difference in the program content and the wider range of ideas offered by the former for audience selection Foreign language broadcasts, which reached small but compact and intensive listener groups, are being discontinued on commercial stations because of limited profit return as well as the war-time security regulations—which was the major excuse for their elimination.*

The only municipal station in the country, WNYC in New York, was deprived of its power by a private commercial station, by permission of the Federal Radio Commission in the early 1930's, although its programs have a national reputation for good coverage and balance and received the Peabody Award in 1944—radio's "Oscar." Political and economic pressures, rather than "the public interest, convenience and necessity" undoubtedly occasioned the Federal Radio Commission ruling, and WNYC has not yet been restored to a powerful position in the New York area.

The understandable lack of interest among present commercial broadcasters in reaching rural and sparse populations is a limitation on access to radio for rural listeners, which may be overcome by the development of F.M. broadcasting and the turning of A M facilities toward the rural audience It is, however, true today that 8 per cent of our population does not have

* 1941, 200 stations, 1944, 146 (mainly small stations, a few hours a week).

any access to radio broadcasts and 17 per cent does not have adequate daytime service. More than 500 of the 900 commercial stations are in cities with populations of more than 50,000. Only seventeen are in towns under 5,000 population. One third of the area of the United States is out of daytime service range, and 57 per cent of that area is beyond adequate service. (See Exhibit Q, pages 300, 1.)

The forty soap operas—dramatic serials often dealing with purple emotional situations—a day over the national networks are continued over a rising chorus of protesting voices, partly because there is some real demand for them and partly because the commercial sponsors have not been educated to present preferable programs and the station owners do not create their own programs. They only lease their monopolies to the highest bidders. A recent survey made by one of the networks—which has subsequently dropped soap operas—determined that there were thirty-six housewives who thought there were too many soap operas, for every one who thought there were too few. Were it not for the domination of the networks over local stations, soap would, like water, find its own proper level.

In the field of children's programs, we have had little experimentation and practically no diversity. Children do not spend much money for advertised products even though they do press the parents into many purchases.

Many public service programs have been pushed around on the broadcasting schedules or driven from the air by advertising competition—an increasing number of late. A program like "The Farm and Home Hour" with a seventeen-year record on N.B.C., has been cut to half an hour a week this year, with a subsequent change of name to "The Homesteaders." "The Town Hall of the Air" claims it had to accept commercial sponsorship to maintain its place. "Wake Up, America," "Adventures in Science," "Labor for Victory" and the Baby Health Institute—the only such program—were dropped completely. Theodore Granik's great program, "The American Forum of the Air," still remains unfettered by advertising controls and is

the only program so far willing to discuss the lack of diversity on the air. Granik and the network could readily pick up an advertiser's fortune every year.

Dr. Harlow Shapley, the eminent Harvard astronomer, has been among those who have registered concern over the trend

I take up my pen to write you rather unhappily that I am deeply concerned that certain programs of an educational sort will fail to return to the air after the interruption from September through November. I wonder if times are changing for the better and if our national needs are being adequately served by the broadcasting companies when educational programs are sacrificed to the commercialism of the moment I wonder if the broadcasting companies are making important friendships among the stockholders to compensate for the friendships they are losing in the educational world.

And a physician in the field of public health verifies this in a letter to the F C.C..

The attitude of the radio stations has been that in giving us time they have discharged their full obligation Much of this time, incidentally, has been small scrap stuff, consisting of periods not usually sellable, and our programs have been literally kicked around at the behest of the commercial departments During the last few months a number of the radio chains and stations have withdrawn the time allotted to us and have placed us in a position where we have to literally beg for our period.

The issue of the injection of personal opinion into news broadcasting has been met by one network—C.B S.—which has forbidden editorializing This issue, to the great credit of the network, has been argued over C.B.S. facilities and will probably be resolved by the more widespread voluntary adoption of a clear labelling of news, news analysis and editorial opinion.

After brief hearings in 1944, the F.C.C. clarified the requirements of sponsor identification, especially in news broadcasts. C B S and others are being educated to get away from a code concept, which holds that there is a separate distinct set of ideas

known as "controversy." They are learning that all worthwhile discussion is controversial. Our public—trained in the theory that truth derives from debate and differences of opinion—knows that there are few [illegible] in life, and that out of a variety of interpretations truth may emerge.

Radio should seek a balanced diet of purported facts and opinions and stop its hypocritical attitude of defining as "controversial" all subjects which the station owners fear to have discussed or do not approve.

### TELEVISION

Television and facsimile are the great unpredictable forces of post-war radio broadcasting. They are bound to affect radically the techniques and financial controls of the radio, movie and publishing industries and the advertisers They are likely to call for large shifts in labor skills, community organization and possibly social mores

If standard broadcasting has been able to grow in twenty years from nothing into a $300,000,000 business, aside from its even more profitable manufacturing aspect, television has possibilities of even greater exploitation in shorter time. Because television adds visual to audio broadcasting and because of its more intricate technical requirements, which must soon include natural color reproduction, its installation and operating costs are far greater than for sound broadcasting alone Original television programs are likely to cost ten to twenty times a sound program's budget and require expensive film productions, besides electrical transcriptions Television will use F.M. and an ever wider band in the spectrum is required for its transmission Listeners will only want television a few hours a day, compared to the round-the-clock programming of sound alone. But still the problems of television are legion The eye tires faster than the ear, and requires direct attention to the radio machine

It is subject to all the visual pitfalls sound radio escaped, as indicated by the following incident, reported by *Radio Daily:*

A couple of unprogrammed bits during a state demonstration of video commercials brought the house down yesterday, at the "Television Day" luncheon of the Sales Executives Club in Gotham. An advertised brand of rip-proof overalls tore apart easily in a tug-of-war, and a well-known grade of shock resistant, flexible plate glass shattered under the persuasive tap of a hammer.

The television industry will start the post-war spurt with six commercial stations in operation and three more near completion There are thirty experimental stations and 7,000 pre-war sets capable of receiving the presently scheduled few hours a week of advertising and sustaining programs There has been only one short network experiment. Twelve channels, six megacycles wide, have been assigned to immediate commercial development in the lower spectrum, where television is now operating, to afford further practical experience, while experimentation and development continue in the higher spectrum, 480-902 megacycles, on thirty bands twice as wide.

This compromise was developed by the Solomonic F C C. to resolve the television battle of 1944 between sound broadcasters and manufacturers R C A. and a host of lesser companies with large manufacturing interests called for a larger slice of the lower spectrum where television was operating before the war, in order to protect their investment in sets and equipment C.B.S , which engages in sound and television broadcasting only, and announces remarkable progress over the pre-war techniques, asked for assignment of television to the higher frequencies Such higher frequency assignment would mean scrapping of old sets and standards and a little longer wait before the new transmitters and receivers could be in the hands of the public, but would not tie us to the black-and-white, small-screen, vaguely defined picture possible on the manufacturers' terms

The F.C.C double allocation of 1945 gave present participants in television manufacture and operation a small area in which to mark time and practice programs before a small public audience, while plenty of spectrum elbow room is available to

the groups who would prepare color television and more satisfactory definition of pictures for release to the public in coming years Both manufacturing and broadcasting contestants seem satisfied with the Commission's decision.

The programs broadcast with certain technical standards—say thirty screens a minute and 525 lines in each picture or screen—can only be recorded by a receiver keyed to those standards. If the broadcasters were not bound by common standards, the programs of each broadcaster could be seen only by the persons purchasing sets particularly built for his broadcasts and no one set could cover the whole television spectrum, as a standard radio receiver can cover all the sound-broadcasting stations. At one time the manufacturers of television receiving sets tried to limit the types of boxes, so that only a handful of televising broadcasters could hope to emit programs which boxes in the homes could receive. Other licensees would be televising, but no box could receive the picture. I had fun in breaking up that racket

The selfish use of television has been forestalled by the Commission's vigilance in the past and the dead hand of pre-war standards of television will be lifted by the current allocation of limited space in the present band and plenty of room in the high frequencies, where new standards may be set for the future permanent home of a perfected broadcasting medium.

Because of technical limitations, only three to seven television stations will be possible in any one area until the art develops further and moves into the upper spectrum. The very largest cities can have but four stations each, and the others must take less Here is physical concentration which makes the possibility of diverse television programming far more limited than in sound broadcasting, with all its own obstructions to diversity. The F C C has ruled thus far that no one person or group may own more than one television station in an area or more than five stations throughout the country. Why more than one is difficult to understand, except as a compromise with Gargantua, and selling out of diversity. When commercial tele-

vision is authorized in the upper spectrum, many more stations per area will be possible.

Unless we remove restrictions from the market, television operation will become profitable only as network arrangements are completed and the present titans of the radio industry expand their present feelers into control of the new technique The very same owners who now operate the six commercial and fifteen experimental stations—and have made the 127 applications for facilities, received by the F.C.C. by March, 1945—also dominate the sound-radio and newspaper-radio field. To this group we find added an increased representation from motion pictures.

The quickened movie interest is a national concomitant of the close relation between movie and television production, equipment manufacture and patents and potential audience. Taking warning from the fiasco which overtook Hollywood at the advent of the talkies, some of the movie producers and theater exhibiters are jockeying for position against the sound broadcasters and manufacturers. Paramount has entered the lists in full accoutrement of television station ownership, programming, television film production and laboratory experimentation through Balaban & Katz, Television Productions, Inc , and the Du Mont laboratories It has a stock interest in Scophony Corporation of America, holder of British patents in North America M.G.M. and R.K.O have formed television departments but have made no overt production moves. Twentieth Century Fox has applied for a station license Warner Bros is in the field and United Artists is reported to be the first to use a television camera together with a standard movie camera throughout the filming of a feature, "Petticoat Lane," in the spring of 1945.

On the other hand, the Independent Theater Owners Association, a booking combine of 115 houses, resolved in December, 1943, "that the Association is unalterably opposed to producers or distributers of motion pictures allowing any of their product to be used for television production in any way, shape or manner, inasmuch as such reproduction would be in direct

opposition to motion picture theaters, with no admission fee being charged, and this would consist of unfair competition." If television becomes an advertiser-sponsored business it may well force motion picture theaters to look to advertisers for substantial revenue.

Theater television, which must be differentiated from home television, was successful for several months in London before the war and was exhibited on a screen 15x18 feet. Two theaters in New York City experimented with showings in 1941 on a screen 15x20 feet. The recent F.C.C. Allocation Hearings Report pointed to forty-two competitive theatrical agencies in New York, of which twenty-five were large enough to enter the television field Experimental theater television has been authorized in the high frequencies and radio relay facilities were made available to experimenters who wished to circumvent wire-line transmission In the United States theater television is proposed primarily to replace stage shows—for it can operate on a chain basis—or for newsreels more immediate than those now available A televised news feature, however, will usually require for transmission by television film a twenty-four to forty-eight hour delay after the event, because technical troubles have made instantaneous transmission unsatisfactory in most cases so far Theater features can be kept exclusive by transmission over cables to subscribing theaters or by "scrambling" them on radio relays, so that a home or competitor's receiver cannot intercept them.

The real struggle in television control may not be between the movie-theater interests as against the broadcasters, but between the patent-holding teams of manufacturers led by R C A. and lease-holders led by the Bell System. Borkin and Waldrop foresee a mammoth battle in their book *Television: A Struggle for Powers* But sound broadcasting too will be affected by developments in patent controls, which have been discussed earlier.

Moreover an entire reappraisal of the law of property rights in news and current events will arise. A parade on the street can be claimed as no one's property. But what about a political

mass meeting on the private property known as Madison Square Garden?

### FACSIMILE

As television is radio transmission of talking motion pictures from a studio to a receiver in a home or theater, facsimile is radio transmission of a printed or illustrated page to a distant receiver—a primary range of thirty to 100 miles, an indefinite range as relay techniques are perfected. A newspaper page, a map, a photograph, a written message can be sent from a station by F.M. transmission to emerge from a facsimile receiver on a piece of paper by chemical action, pressure on carbon, or by electrical impulse. A 50,000-word book can be printed in an hour. A newspaper may be manufactured during the early morning hours to be assembled and read at breakfast without benefit of linotype, press, delivery truck or newsboy. Instructional leaflets can be reproduced in classrooms. Maps and photographs may be projected into airplanes or police cars. Checks and business documents can be sent by "radio mail."

Facsimile's present page dimensions are about 8x11 inches. The few pre-war experiments were limited to black-and-white reproduction. A full color picture was sent across the Atlantic in August, 1945. In the spring of 1945 there were no existing operators or applications for facsimile broadcasting stations, but facsimile was in wide commercial use by the common carriers —R.C.A., Mackay, and so on—and the press associations.

A station installation originally costs about $5,000 to $15,000 and a receiver $40, not counting the paper supplies to the home, which may be provided as an advertising service. Just as news photographs are already sent by this process from many world points, so explanatory messages, printed and mimeographed instructions or maps and illustrations to amplify broadcasts or provide a permanent record, may accompany television or sound programs on the same wave length. Successful multiplexing—simultaneously sending on the same frequency—of facsimile and sound broadcasting has not been perfected but a wide space

in the high frequencies has been set aside by the Commission for developing this service

The exciting possibilities of facsimile in color at a moderate price in every home will probably not come to fruition until the time when F M and television are flourishing radio services. But the publishing, printing and communications interests are sure to feel its impact in the long run. Ditto for the public.

### A LOOK AT THE FUTURE

Broadcasters, in arranging programs, must keep in mind the essential rules of radio A program comes uninvited into the home. When the radio is switched on it may be heard by persons of all ages and all backgrounds. A few phrases may be caught out of context To protect the young listener, a curb is placed on language and the subject matter. The initial taboos have been interpreted by Congress and broadcasting staffs to include obscenity, horror, sex, physical unpleasantness, inciting to riot, and so on. Sometimes these taboos are exercised to a ridiculous degree but they are never flouted These very factors which distinguish the press and movies from the radio, from the point of view of selection, may tend to create greater critical faculties in the audience served by press, movies and radio.

The effect of the radio program upon the average listener, as compared to the effect of other media of communication, had best be considered before attempting a working definition of free access to broadcasting and freedom of speech on the radio A number of surveys conducted by Elmo Roper for *Fortune* magazine and by more recent researchers indicate that an increasing proportion of citizens rely upon radio for public information and opinion rather than on newspapers, magazines or public speeches. Since there is scant diversity of radio outlets we must be fearful of this concentration of power over the mind and emotions of our society.

There is one clearly defined pattern This does not mean that there are no exceptions It does mean, however, that there is little adventure and practically no conflict. Nevertheless,

considerable credit must be given the radio industry for expanding an interest in public affairs. The active electorate has been enlarged from 39 per cent to 62 per cent of eligibles during the years radio was coming of age, and radio was surely one of the elements responsible. The increased audience for classical music can also be credited largely to the radio and recording industry. On the other hand, patriotism is used to sell merchandise and emotions are treated as vehicles for commercial blurbs The prevalent pattern—in the absence of any real diversity—is to associate buying war bonds with soap and oil and lotions.

The newspapers of New York City have been trying to establish, by "scientific" measurement, that newspaper advertising receives five times the attention at one quarter the cost of radio commercials They are doubtless sound in their contention that people like newspaper advertising and dislike radio commercials The broadcasters are stridently challenging all of these claims But as pointed out, we are not irretrievably bound to a radio system supported by advertising. Nevertheless, with a most generous radio listening estimate of five hours a day a person, even if the listening is the usual casual tolerance of background music for everyday tasks, this incessant impact of radio impressions is worth continual observation in relation to its source, intention and most obvious effects.

What, then, given this framework, should American standards of free speech on the radio be? They should not differ philosophically from the rules of free speech set forth by the founding fathers as interpreted by Justices Holmes and Brandeis, even though radio broadcasting differs from street corner address, and electrical transcriptions differ from pamphleteering Because of the restrictions imposed by the radio spectrum on the number of stations, freedom of radio lies in the increasing demand of the citizenry to hear diverse opinions, ideas and entertainment representative of a varied, adventurous people We must reform our radio so that it becomes more than a mass reception for a few giant broadcasters.

The charter of radio broadcasting appears in an opinion of the F.C.C. written in 1941 (The Mayflower Case).

> Freedom of speech on the radio must be broad enough to provide full and equal opportunity for the presentation to the public of all sides of public issues. Indeed, as one licensed to operate in a public domain, the licensee has assumed the obligation of presenting all sides of important public questions, fairly, objectively, and without bias. The public interest—not the private—is paramount.

None can deny, after a survey of contemporary broadcasting, that radio practice has fallen considerably short of this charter. We have no balanced diet. The large dominant interests competing with each other are all so gargantuan as to suffer from the same kind of timidity prevalent among giants.

The maintenance of high standards of free speech on the radio is not a government responsibility. But the government must soon surrender or wake up to its responsibility of preventing concentrated control of the air By failing to break up monopolies it is in effect acting in favor of the subservience of all smaller stations Broadcasting under democratic institutions should be set up so that the station owners are responsible for radio performance With enough independent outlets we will have a competitive democratic ether The listener's only power today is to inform the industry, to protest bad programs and encourage good ones, to protest not only vocally on the most effective occasions, but to register those protests on the volume of sales of the sponsor's product This is asking too much of a public which is kept in the dark by the industry about the industry's problems

Senator Burton K Wheeler, out of his ten years' experience as chairman of the Senate Committee which supervises radio matters, recently summarized the radio industry's failings·

> Generally speaking, the industry
>
> 1. Is "dollar hungry", too much of what it does or fails to do is measured by the amount of money in it, or the amount of money it will cost.

2. Is run by men who have little or no conception of the public welfare and of the responsibility to the public that is involved in managing an enterprise affected with great public interest.

3 Insists on regarding itself as "private enterprise" in the same sense that a gasoline filling station is private industry, it insists on regarding its Federally-granted license as a permanent private property right to be used as the licensee pleases.

4 Is dominated and substantially controlled by absentee owners The large and high-powered stations are located in the metropolitan areas, and the bulk of programming is motivated by what a relatively small part of the population of the country desires.

5 Is largely at the mercy of so-called network organizations which, although responsible for the bulk of nationally known programs, have the power of life and death over the majority of stations by reason of their economic control over the station's income.

6 Has warded off any suggestion for elevating program standards as being an interference with free enterprise

7 Has made little attempt or progress in eliminating programs of questionable taste or value, or in reducing the amount of commercial advertising per program

8 Has taken no action to insure equality of access of radio facilities to varying views and opinions, to guarantee factual presentation of news, to balance presentation of opposite views on public questions or issues; to identify properly speakers and commentators, to make public who pays for them, who pays for their radio time—so that listeners will have an honest opportunity to appraise the speakers' motivation.

9 Has not been diligent in making available an adequate portion of broadcasting time on a free unsponsored basis for the presentation of forums, discussions, and similar programs designed to give the listener a greater insight into our nation's social, religious, economic, political, and general problems

10. Has suffered from political pressures from within government which has led it to exercise partiality for whichever party is in power or for particular individuals or for particular social or political policies.

The Senator's remarks should be debated over the air

But the promises of universal communication, of great forward steps in education, of free interchange of ideas and discussion of all points of view and of a high level of music, drama and entertainment reaching into every home are, by contrast to dollar figures of growth, disappointing to many. In the light of the restraints I have referred to, the disappointment is inevitable. More than that, the early curve of progress toward these ends is taking a downward turn as the business prosperity and concentration of financial interests spill sustaining programs over from evening broadcasts to the morning hours, force programs to conform to the dictates of advertising sponsors, drive independent broadcasters into the arms of the networks and newspapers chains, and relegate presentation of minority views to the realm of "controversial" taboo and bugaboo.

Some check upon this trend has been applied by the F.C.C.'s Chain Broadcasting Regulations upheld by the Supreme Court in 1943 and a few recent opinions of the F.C.C. But two main streams of concentration continue to exist in radio The financial concentration arising out of the network and advertising system, and the geographic concentration of broadcasting power and revenue in metropolitan centers.

The first concentration leads to conscious and unconscious filtering of programs and news through the narrows of big business and big advertisers' requirements. The tightness of the bottleneck results in programs of low mental but high numerical appeal and in innocuous subject matter. The second concentration accounts for the predominance of Hollywood and New York attitudes, *mores* and taste in the programs of the nation. We fail to tap the agricultural local color or small-town initiative of our country's rich regionalism and multitudinous cultural strains In a real open market the present dominant influences might be preferred by the public, but it would then be a preference expressed in a competitive market place of listeners with critical judgment

The fears of the giants were never made clearer than in their fight against Subscription Radio Subscription Radio is a corpora-

tion formed to broadcast on F.M. channels (1) continuous programs of classical music, (2) continuous programs of popular music, and (3) continuous programs of educational and consumer interest uninhibited by commercial considerations. The subscriber would pay a fee amounting to five cents a day to receive these non-commercial broadcasts A "pig-squeal" of static would be heard by the non-subscriber who turned his dials to Subscription Radio channels. The subscriber would be furnished with a gadget which would eliminate the squeal.

Subscription Radio asked for three channels at the top or bottom of the F.M. band, so that its service would not interfere with the dialing of non-subscribers to other stations. Allocations were asked for Chicago and New York.

The commercial broadcasters, as might be expected, opposed the new service on the ground that the air is "free" and no charge should be made to a set owner. The new corporation pointed out, however, that the listener pays for his present broadcasting service indirectly by the purchase of radio-advertised goods and by submitting to the interruptions of commercial ads. "In a few instances, such as the city-owned WNYC in New York, or the educational stations here and there throughout the country, they pay for the broadcasting through taxes or subsidies," writes William Benton, chairman of Subscription Radio, Inc. The people pay too in an important psychic sense, through being cut off from broadcasts of many ideas or facts inimical to special advertisers' business interests.

The new service would present a "shopping news" program and announce the outstanding programs of all other stations which the subscribers would want to hear This would fill a real need for the listener, since the present array of broadcasters is becoming increasingly strict in forbidding the mention of programs emanating from competing networks or stations Also, program information is limited by newspaper-radio marriages.

This intriguing new experiment in radio was debated before the F.C C. without any real amount of public knowledge or debate The initial application was denied by the F.C C and for

the time being Benton has indicated that Subscription Radio will make no further attempts to get on the air. Thus the industry opposed, the F.C.C. denied and Benton keeps the patent away from public use!

Few persons propose today the change-over of our broadcasting edifice to the English system of government ownership and broadcasting paid for by annual taxes on receivers, but Subscription Radio would give the non-commercial elements of American society their first real access to *modern* broadcasting Certainly it should be given an opportunity to see if the listening public will support it.

With the coming of F.M. radio—and subsequently television and facsimile—efforts can be made in three directions to offset the trend toward concentration and stifling of diversity which now exists in A.M. radio.

First, community radio councils are being formed to serve as forums for persons interested in program content and intellectual use of radio Parents, educators, civic leaders and minority groups are particularly active in the functioning forums of Cleveland and Columbus and the newly organized council in New York A council in every city would express far better than a Hooper or Crossley rating report* to broadcasters the "interest, convenience and necessity" of local listeners. It would bring forth local talent and issues and serve as a brake on excessive or silly commercial influence or coastal dictation to local stations.

Some states are outlining F.M. networks in advance of actual station application for licenses, to meet the problem of coverage and balance. This might well be the practice of all states so that F.M. gets off to a new start without the technical and financial drawbacks which accompany attempts to regulate established licensees, although state controls might themselves turn into a single Federal control—a step toward totalitarianism of the mind.

* The two firms which attempt to report statistically on program popularity and number and quality of listeners A third such firm, B M B, is in process of formation under N A B auspices Also in the offing is a device for recording radio audiences by insertion of recording tapes in receiving sets.

Third, a "single market" plan proposed by Paul Kesten of C.B.S. has been partially incorporated in the new F.C.C. allocation policy for F.M. "This would mean," explains the Washington *Post* of January 4, 1945, "that Washington stations would be confined to Washington, and Baltimore stations, operating perhaps on identical frequencies, would be confined to Baltimore, and all would be, from the point of view of transmission facilities, on a basis of absolute equality. Competition among them would be in terms of program quality which would provide a powerful stimulus toward better programs and more varied programs, than the air waves now offer." It would put greater emphasis on local needs, issues and talent.

Industrial self-regulation is the answer always put forth by the broadcasters to every suggestion for statutory innovation. A committee of Independent Radio Network Affiliates, an effort organized by station owners to present grievances to the networks, made no headway in 1938-41 when the monopolistic chain practices were being aired. The job of chain regulation had to be done by the F.C.C. as pitcher, with the Supreme Court as umpire.

The essential first step toward progress is full and free public discussion over all the stations of the nation on the problem created by a few economic giants controlling the ether. Free speech and public interest on the radio, subject as they are to pressures of industry, economics and human self-interest, are never achieved completely and are at present peculiarly susceptible to the seduction of the established and narrowing group of owners and clients.

## CHAPTER VI

## *THE MOVIES* *

THE MOVIES in the United States have captured the universal language of the human race. Our pictures have topped the market for years They have colored our lives, affected our social *mores* and acted as the chief interpreter of the United States—its manners, habits and standards—throughout the world. I am not here concerned with the merits of the product Whether the pictures do us justice, whether they approximate the true portrayal of our folkway—those are subjects of separate controversy. I do not even care to argue whether they are educational or merely entertainment, for I am persuaded that education at its best is high entertainment and that entertainment at its worst can't help but be bad education.

But the pronouncement of the man who was for two decades the so-called czar of the industry—Will Hays—is significant, since it colors so much of our judicial and social approach to the market place of pictures. The Hays position must be taken as a starting point for the review of this fabulous industry controlled in every real sense by just five companies

### FOR ENTERTAINMENT ONLY

The Hays Production Code, the industry's infrangible manual of manners and morals, has ordained as its first general principle that·

> Theatrical motion pictures, that is pictures intended for the theater as distinct from pictures intended for churches, schools, lecture halls, educational movements, social reform movements, etc , are primarily to be regarded as Entertainment.

* Research material for Chapter VI was compiled by Felicia Lamport, for many years employed in the motion picture industry Miss Lamport was graduated from Vassar College and at one time was a reporter for the New York *Evening Journal* She has published articles and short stories.

Legal justification for the denial of the more serious aspects the film can be found in a United States Supreme Court nion as far back as 1915. The Court found at that time that : primary function of the motion picture was to amuse and tertain, not to express an opinion. The industry invited this alogy to a flea circus or licensed vagabond players Only a few ais before, Edison, one of the inventors of the motion picture, d said that the film was a toy, whose primary function was to esent visual accompaniment for Victrola records. No wonder is industry is the only one in the United States in which we ive ever condoned governmental pre-censorship! Pre-censor-iip in important states is the initial act of regimentation of films

In the years that have passed since the Supreme Court pro-ouncement legalizing political censorship, the motion picture as developed in size, resources, techniques and scope to a degree hat makes that court opinion seem as unrealistic today as Edi-on's earlier observation.

Hays gave no new leadership to this important industry but nerely followed the previous pattern of the trusts which had controlled the films He and the heads of four of the largest companies have persistently urged the entertainment limitations of the movies to such an extent that the courts and legislatures readily decided that movies were no part of the material which is protected by our Bill of Rights

Film industry leaders, quick to vaunt the power of their medium in most respects, persist in pegging its scope at the 1915 ceiling. Fortunately the product often exceeds their pronounced goals. Perhaps their vision is obscured by their resolute belief that films which inform and persuade are "bad box office", or perhaps they are unwilling to assume the responsibility to the public implicit in the more serious phases of the film. Pictures produced in the new industries which will be started in European and South American lands may give us world competition in content if not in the mechanical aspects of the product To many persons outside the industry, the broader aspects of the film are apparent Elmer Rice writes.

The motion picture, cast as it is in a highly dramatic mold and making a simultaneous auditory and visual appeal, is today, for better or worse, the most potent medium in existence for coloring the emotions and shaping the attitudes of the world's population

Whether the film is dealing with fact or fantasy, it cannot fail to assume ethical, moral and cultural standards Under the sugar-coating of entertainment, it is continually transmitting social, political and economic ideas. It is affecting the public interest as vitally as do the radio and press If the market place were limited solely by the censorship of a few state boards, we would have only a slight tussle to get freedom for the films analogous to our political freedom of the press But five companies in economic terms so restrict the market that the public is scarcely concerned with the political censorship or with the Hays office's appeasement of all censorial restrictions.

In radio, the public interest is freely acknowledged, and public ownership of the air waves provides the government with a foot-in-the-door to guard against too much concentration of power Its essential role as traffic cop of the ether gives the Federal Communications Commission the power to prevent complete monopolization by a few broadcasters.

The absence of necessity for physical traffic regulation in motion pictures does not diminish the advisability of safeguarding the public stake in them. There is no need to invent a pretext of public ownership of screen or projector, since the public interest is vitally affected by the content of films That interest can be democratically expressed only by diversity of ideas, timely presentation and universal availability at a fair price We have great creative talent for the making of pictures, but it is to no avail if the finished picture cannot get to the market place for public appraisal.

However, since the motion picture is a giant industry rather than a public service organization, money-making, or as it is sometimes called "the responsibility to our stockholders," takes precedence over service to the public. It is often argued that the

two objectives are inseparable, that making money implies pleasing the public. In a free market this approximates the truth and in any event in a small enterprise quick and eager response to the public taste may be vital But in the huge motion picture producing companies, with their complexity of interests, the many intervening factors drive a wide wedge between the two objectives.

It has always been expensive to make prints of pictures to be sent to theaters throughout the nation. On the average less than 300 prints of a picture are made, leased to theaters, returned and re-leased until worn out, if the picture is a success. Out of this economic practice of rental instead of sale of movie prints stems the capacity for monopolization not available to many other industries. There are often far less prints at any one time than there are anxious buyers With such a fundamental disturbance of the ordinary flow of merchandise to the market of buyers, the three branches of the industry—producers of pictures, distributors of pictures and exhibitors to audiences—have each at times sought to eliminate competition by horizontal or vertical combinations in restraint of trade.

The $2,000,000,000 motion picture industry is controlled today by the five largest producers—Loew's (the parent company of Metro-Goldwyn-Mayer), Paramount, Radio Keith Orpheum (R.K O.), Twentieth Century Fox and Warner Brothers These corporations—the Big Five—have their theaters, real estate, music publishing houses, recording companies, radio stations and numerous other holdings to consider. Also, they have their dominant position in the industry to protect. These five, with the three so-called satellite companies—Columbia, Universal, and United Artists—virtually preempt the screen time throughout the country. The three satellites own no theaters, and United Artists does not produce any pictures but only acts as a distributor for pictures made by independent producers.

The Big Five together form a steel ring bounding and restricting the industry. Attempts to expand the limits of control have been thwarted by powerful contractions from within. And

with every new tightening of control, the public has felt the squeeze. Throughout the development of the industry, whenever the tendency toward monopolistic control has been strongest, the public interest has been threatened.

In the history of the motion pictures the golden apple of complete control has rested tantalizingly on a pinnacle, far out of reach of some members of the industry and barely beyond the grasp of others During the various periods of development the most ambitious contenders have constructed an elaborate pyramid of steps and platforms to bring the shining apple within their grasp.

Many of the unique trade practices in existence today are blocks in the base of the pyramid Others have been knocked away by the courts just as hands were closing around the apple. At times the empires collapsed through mere size.

To understand this complex and architecturally strange structure on which the industry rests today, it is necessary to consider briefly the most important steps in the erection of this pyramid. The pattern of the past has been a mad desire for monopolization —that is, the use of power or size instead of brains This attitude has existed since the industry began It persists today

## CHRONIC MONOPOLY

The film industry had its inauspicious birth as a peep-show attraction in penny arcades. Edison, one of its inventors, thought so little of it that he never bothered to spend the few hundred dollars necessary to protect the European rights to his invention. The public, however, greeted the infant industry with explosive enthusiasm. The clink of pennies, foreshadowing the more musical ring of dimes and quarters, attracted numerous promoters, investors and entrepreneurs The motion pictures moved from penny arcades and dime museums to empty shops and lofts, then to unused theaters. Before the infant industry was out of swaddling clothes, it was subject to the first of the many forms of domination that were to characterize the course of its spectacular development.

Control began through the ownership of basic film and equipment patents, most of which were held by the Edison Company. The demand for films and equipment was so great, however, that a rash of manufacturing and producing companies broke out Those who were unable to secure patents copied, rented, borrowed, or bootlegged. The financial strength of the movies stems from two grants of monopoly—the copyright on the product and the patents on the camera and projector. These are the initial monopolies, justified as encouragement for creative genius but invalid if used for economic monopoly or cartels.

Films in the early days depended chiefly for their wild popularity on the miracle of photographed action. They were cheaply made, ran only a few minutes, and were sold outright to exhibitors. They were priced by the foot or by the reel, regardless of quality When the novelty of films wore off, exhibitors traded them among themselves. Then, in 1902, a distributing exchange was formed on the theory that it would be profitable for a company to own a supply of films and rent them to successive exhibitors as long as the celluloid held together. It was so profitable that more than 125 such exchanges sprang up within the next five years.

In 1908, mainly to avert the patent war that Edison's company was starting against its competitors, ten of the leading manufacturers of film and equipment pooled their patents to form the Motion Picture Patents Company. This was the first trust in the film industry and it must be noted that as with all patentees the giant company could often delay the use of, or make valueless, all new inventions in the hands of outsiders

This Trust limited the market by issuing licenses only to its members, entitling them alone to produce and lease films. The members agreed to supply films only to exhibitors who used their licensed machines. These restrictions resembled those of the Associated Press and were not unlike those of the radio networks in later years The old pattern of the caveman withholding his chisel appeared under the blessing of our antiquated patent laws.

The exhibitors had to pay a fee of $2 00 a week for the use of the machines as well as rental for the films. The licensing system also extended to the manufacture of equipment and to film exchanges. Briefly, the Trust had formed the first of the many steel bands that were to be placed around the film industry For its ten member companies it was to be a charmed circle. And if the band were tight enough, it threatened to form a bottleneck through which all films must pass before general dispersal to the public.

At this stage, however, there was leakage through cracks in the band. The demand for films was so great that unlicensed producers continued to make them, and even exchanges licensed by the Trust bought films in violation of their contracts. To solidify the band, the Trust formed its own distributing subsidiary in 1910, the General Film Company. It bought out many of the existing exchanges and drove innumerable others out of business by withdrawal of the film supply, price cutting and similar discriminatory devices. A year later only one film exchange remained. That was owned by William Fox. When the Trust cut off his supply of film, he began to produce his own pictures and fought the combine both in the market and in the courts.

Meanwhile, the miracle of photographed motion had faded Even the novelty was beginning to wear off. The public was demanding longer films and higher dramatic and artistic caliber But the heads of the Trust, like most giants, were not in close contact with the public and ignored its demands. They were producing virtually nothing but standardized one-reel films and selling them at a uniform price. They were unwilling to risk the expense of longer, more elaborate films. Their hold on the market appeared firm and permanent. Their profits were enormous. Surely there was no reason to tamper with a goose so prolific with its golden eggs Most of the opponents of the combine, however, had been exhibitors and were keenly responsive to public taste. They began to film complete stories, plays and books

The Combine struggled to retain its controlling position,

harassed not only by competition but by patent disputes and lawsuits. In 1912 the government filed suit against the Trust, charging a conspiracy in restraint of trade. By 1915 the General Film Company was dissolved by action of the Federal courts and in 1917 the U.S. Supreme Court declared the Trust legally dead. There has never been a time since then that portions of the industry have not sought to box it up, or a time when the government did not have to take steps to protect the public. The leaders of the industry have been outstanding for economic double talk —"Competition is the spice of life, so let us few fellows hoard all the spice."

Patents had now slipped from their dominant place in the industry, but the introduction of sound a dozen years later was destined to bring them into prominence once more. Before then, however, other factors played the stellar role in the development of the industry.

Following the dissolution of the Patents Trust, the production of films assumed a greater importance. At first, film making had been an incidental corollary designed to maintain and increase the demand for equipment, the field in which the real profits lay But as the public became more discriminating, the cost of films increased. As production costs mounted, distribution became the focal point of the industry The distributors occupied the vital position of outlet for the producers and source of supply for the exhibitors Producers found the local exchanges, which had control over selling rights for various states, unsatisfactory They handled the output of several producers and were in a position to select among them. A certain amount of competition existed on the merits of pictures. That would not do!

Profiting by the lucrative example of the General Film Company, producers organized their own distribution facilities on a nation-wide basis, to insure a maximum return for their increasingly expensive productions. Exhibitors too were buying local "states' rights" exchanges to secure a constant supply of films for their theaters. Vertical integration of the industry was begin-

ning concomitantly from both ends. And among the exhibitors a movement toward horizontal integration was in progress. Chains of theaters were formed and independent theaters joined in booking combines. Many of these were strong enough to dominate local markets, even against the giant producers.

Meanwhile, the cost of film production was spiralling fantastically, due in large part to the introduction of the star system. The Patent Trust, during its day, had ground out reels of film uniformly, like so many links of sausage. The actors were anonymous and poorly paid Adolph Zukor, competing with the Trust for screen time, hit on the idea of filming famous plays with popular theatrical stars. He formed a company called Famous Players, which eventually became Paramount. Since the film was not considered a respectable or dignified medium, large salaries were required to lure stage stars into film studios. Zukor imported a film of Sarah Bernhardt as Queen Elizabeth in 1912 and showed it to a select gathering of celebrities who cheered it roundly. A year later he induced Minnie Maddern Fiske to be filmed in her stage success, "Tess of the d'Urbervilles"

The much publicized launching of a new type of film resulted even then in the rapid birth of a litter of similar films. Other producers began to bid competitively for stage stars. Geraldine Farrar was lured to Hollywood by the offer of a private Pullman car to the coast, a house, and $20,000 for eight weeks of work.

On the whole, however, the public showed no lasting enthusiasm for the transplanted stage stars It hurt and surprised Mr. Zukor by reserving its frenzied enthusiasm for the homegrown product, the performers indigenous to the film Public acclaim lifted many of these out of their anonymity and into stardom. Outstanding among the first stars was Mary Pickford, the slip of a girl with the golden curls and the business acumen of a Morgan partner Soon after her meteoric rise, Charlie Chaplin was lured out of vaudeville by what he considered the fabulous salary of $150 a week.

The public clamor for its favorite stars was loudly echoed

by exhibitors. Producers competed for talent by the simple expedient of offering higher salaries. Within a year competitive bidding propelled Chaplin's salary from $150 to $1,250 a week. Naturally, other costs had to rise in proportion with stars' salaries A director who exercised authority over a $5,000-a-week star or a $100,000 manuscript had to be paid on the same scale, as did the producing executive who gave orders to the director. And the writer whose words came out of those $1,000 lips would sell himself down the river only for a fabulous salary.

As production costs spiraled, assured markets became increasingly important. Control of patents had once seemed to be the key to domination of the industry, but now control of talent was apparently the vital factor. Zukor, who had been one of the pioneers in the fight against the Patents Trust monopoly, now set about to monopolize the industry by the purchase of all available talent. By 1916, with about three quarters of the outstanding stars under contract, his company dominated the motion picture industry.

Since control of talent meant control of the films most in demand, Zukor's Famous Players-Lasky Company was able to impose a considerable increase in rentals on the exhibitors. But with a huge investment to protect, it was becoming advisable to minimize the risks. With this in mind, Zukor instituted the practice of block-booking which, in the form of franchises, still prevails despite Congressional investigations, exhibitor jeremiads and government suits. Under this plan, exhibitors contracted in advance to buy a group of films which were to be made within a certain time This not only assured a steady outlet for pictures before the camera was turned on them, but also guaranteed a minimum return on films that might otherwise have been complete losses With an indispensable Pickford picture as bait, the exhibitor was forced to swallow the whole package.

Since, in 1918, Zukor was distributing 220 features—more than 25 per cent of the 841 features released that year—and a much higher percentage of the most desirable features, exhibitors had to have some of his product to prosper. And if the all-or-

nothing implications came to include his total output, little if any screen time would remain for other producers.

But exhibitor animosity to block-booking and high rentals was rising to the point of action. In 1917, twenty-seven of the most important exhibitors in the country combined to organize First National Exhibitors circuit. First National was created to act as purchasing agent for its exhibitor members. But it soon formed its own distribution units, finally setting up production studios to insure a constant supply of films for its members By the beginning of 1920, its membership controlled 639 theaters, including many of the key houses in the country. Begun primarily as a defense against Zukor, it was on the way to becoming a monopoly in itself. First National had an important roster of stars, including the two most popular, Mary Pickford and Charlie Chaplin Furthermore, the membership of First National included a large slice of Zukor's market, especially the best theaters in the country. Zukor suddenly reverted to his virtuous rugged-individualist, free-enterprise role and issued solemn warnings against the "evil of producing and exhibiting coalitions." When the hot blast of his moral indignation failed to wither First National, he took more practical measures

From the beginning, an astonishing flood of profits had flowed from the motion picture industry But no one was quite certain from what part of the cow the rich milk came. At first it seemed to be equipment, then distribution, then talent. But now Zukor decided the question in favor of theaters, principally first-run theaters—those which first exhibit a new film in each locality That decision has held good ever since The theater acquisition program was designed not only to quash First National but to prevent the recurrence of any similar danger

To combat the threat to his market Zukor set about buying or building first-run theaters in all the key cities. It was by no means fortuitous that the theaters he built or threatened to build would be in competition with First National theaters And of course Zukor's theaters would have the choice of his production company pictures. Gradually the members of the First National

saw the handwriting on the wall. Zukor bought them out one after another, until the powerful exhibitors' circuit eventually collapsed from within.

Zukor's ambitious theater expansion program could not be financed even by so rich a company as his. So Wall Street came into the pictures. Kuhn Loeb sold a stock issue to eager investors, giving Zukor ample funds for his operation. Meanwhile, other producing companies were also busily engaged in acquiring theaters to assure an outlet for their product They too turned to Wall Street for capital Within a few years the stock of most of the major producers was listed on the exchange. In ensuing years, innumerable banks and investment houses were involved in film financing, including Hemphill Noyes, the Chase National Bank, Goldman Sachs, Lehman Brothers, Halsey Stuart, the New York Trust Company, the Manufacturers' Trust Company, Dillon Reed, the Atlas Corporation, the Bank of America, Hayden Stone, and S. W Straus. At times you find the same banking house interested in several competing companies simultaneously.

The battle for theaters was fierce, frenzied, ruthless. The unscrupulous tactics of the producers during this period created bitter exhibitor animosity, which has not yet wholly subsided. The movie industry was more concerned with brick and mortar than with dramatic stories or acting talent.

During the early twenties the industry began to settle into its present pattern Most of the small independent producers disappeared for lack of first-run outlets or were absorbed by the larger companies Control was centralized in the hands of the few big corporations which had achieved complete vertical integration Zukor was dominant in the industry,. but Marcus Loew, William Fox and Carl Laemmle were also important.

The major companies were engaged in consolidating their theater chains and wild extravagance prevailed. Prices continued to rise to meet expenses. The quality of pictures was depreciating rapidly. Pictures were being made by recipe or type, with formulae substituted for invention and imagination. The star

system was now firmly entrenched, with its corollary of mammoth publicity campaigns to build and maintain the stars

However, it required more than dazzling publicity to counteract the effects of the succession of scandals involving film personalities that came at this time. Tabloid notoriety and general obloquy of Hollywood gave impetus to various religious and educational groups which had been advocating government precensorship to reduce the production of salacious films. Anxious to avert outside censorship at any cost, the dominant companies combined to form the Motion Picture Producers and Distributors of America—the M.P P.D.A —in 1922. The industry was so anxious to attain respectability that it induced Will Hays to resign his position as Postmaster General and become head of the new organization at a starting salary of $100,000 The formation of the M P.P.D A. was the milestone signalizing the change from full competition to "cooperation," or semi-cartelization between the dominant companies The Hays organization made its peace with the reform groups and the industry sighed with relief.

Then in the later twenties, box office receipts began to decline abruptly The inconsiderate public was developing some discrimination wherever competition gave the consumer a choice It refused to patronize inferior films The machine that had been minting money at an ever-increasing rate was slowing down. Film industry leaders were worried. But when the new attachment that was to set the machine operating at an unprecedented rate was offered to them, most of them turned it down. They were too big to be interested in talking pictures. They had too much to lose by change—their vast investments in studio equipment, the projection apparatus in their many theaters As the prosperous Patents Trust had been reactionary in its defiance of public taste, so the still-prosperous producers struggled to maintain the status quo. They rationalized their position by insisting that sound was just a fad, that the public would never accept it.

But in 1926 Warner Brothers introduced the talking picture. Warners had been producing reasonably good films but

found it increasingly difficult to find first-run outlets. The introduction of sound was greeted with instant and vigorous public enthusiasm and catapulted Warners from the verge of bankruptcy into an enduring position as a major company.

The subsequent fight for the control of sound brought patents into prominence once more. Warners had been working for some time with Western Electric—a subsidiary of American Telephone and Telegraph—on the development of sound and had received *sole exclusive* distribution rights to all Western Electric sound equipment and the exclusive right to issue sub-licenses. This was no insignificant whip over the entire industry

Fox received one such sub-license, but the other major producers, apparently reluctant to accept a license from a rival, agreed among themselves to install no sound equipment for a year. Here was another instance of a cartel to prevent progress, an agreement in restraint of trade in ideas Before long, Western Electric terminated its contract with Warners and offered direct licenses to all the companies All but one promptly signed long-term contracts for the use of Western Electric sound equipment. The one exception was R.K O., which had contracted for the Photophone sound system developed by R K.O.'s parent company, Radio Corporation of America R C A , however, could make no further headway in the industry

Western Electric, repeating the Patents Trust maneuver of a decade before, attempted to control the motion picture industry through the sound patents it held Licenses were hemmed in with conditions reminiscent of those imposed by the Patents Company—as, for example, the provision that films made with Western Electric sound equipment could be projected only over Western Electric machines The efficacy of these restrictive measures can be judged from the fact that in 1928 there were 1,046 Western Electric sound installations and only ninety-five non-Western Electric This new patent monopoly was on its way to achieving a control that would dwarf the wildest dreams of the earlier Trust. But it was destined for a similar fate. The Sherman anti-trust laws were invoked by R C.A., the

developer of a competing sound system, to stop this shocking example of ganging up against the movie-going public.

A polite but forceful threat of anti-trust litigation induced Western Electric to drop its most restrictive practices Within a year competing sound installations outnumbered those of Western Electric. Several years later, under the pressure of further litigation, Western Electric dropped other limiting provisions in its contracts Today the Western Electric and R.C A. sound systems divide the entire field—at what cost to the producers of pictures and the movie audiences no one knows.

The introduction of sound caused an unprecedented jump in attendance. The weekly average, according to Hays Office estimates, soared from 65,000,000 in 1928 to 95,000,000 in 1929 and on to 110,000,000 in 1930 despite the stock market crash

The tremendous box-office receipts gave giddy impetus to the theater expansion program In 1930 the theater holdings of the major companies reached a peak of 3,600. It appeared that the introduction of sound had partially inoculated the film industry against the depression. But most of the motion pictures of this period were satisfied simply to exploit the novelty of sound, making no apparent effort to use it with intelligence or artistry. The publicity line of the time, "All Talking!", was also a complete description and implicit denunciation of the bulk of the films. Before long the public became fed up with the steady diet of maddeningly loquacious "talkies" In 1931 weekly attendance slumped from 110,000,000 to 75,000,000. The granite bedrock of the industry was showing cracks Exhibitors began to use lotto, bingo, screeno, free dishes—anything short of wild horses to draw people into the theaters.

The slight sensation of glutting that the major companies had begun to feel after their voracious absorption of theaters was turned to acute indigestion by the high cost of producing pictures with sound and the fabulous prices paid for theaters Furthermore, their real estate holdings were depreciating sharply. In 1933 Paramount was bankrupt, Universal and R.K O. were in the hands of receivers and Fox was reorganized This bread-

and-butter industry seldom lost money on production of pictures. It failed more often through attempts to choke the market through theaters, patents, and so on.

Between 1930 and 1935 the major companies' theater holdings dropped from 3,000 to 2,225. Universal, which had begun to throw off its ballast of excess theaters early in the depression, divested itself of all its theaters and has acquired none since. William Fox, who had made an ambitious and nearly successful attempt to control the entire vast film empire, found himself forced out of his own company. His attempt to purchase the controlling stock of Loew's had been frustrated by an antitrust action His intricate financial structure had been endangered by the stock market crash and finally wrecked by a series of squeeze-plays administered by the powerful telephone company and the banks and investment houses who were his creditors.

After 1933 the industry began to recover its equilibrium. Attendance rallied slowly. Major companies cautiously resumed their theater-expansion program Some of the most ambitious producers were beginning to realize that the industry was too vast and complex to fit safely into one man's pocket. Zukor had been singed in his effort to achieve complete domination of the industry. Fox had been burned right out of his own company.

Fierce scrambles to own all of Hollywood were giving way to so-called "cooperation" between the largest companies. The band of control was being welded to keep the insiders in and the outsiders out The frenzied period of individualism gave way to group action. The pattern of control had crystallized into its present form. If as few as five companies under the leadership of a czar could only trust each other for a few years, surely they would have the market for themselves They could have little squabbles about divisions of the pie, but only an invited guest could hope to get some crumbs. At times a disagreeable passerby would have to be asked in to share a little of the dessert. It was easy to forget the right of the public to

see pictures—whether produced by the inner circle or by so-called independent outsiders.

BOTTLENECK OF FIRST-RUN THEATERS

Although the industry is now out of its infancy, it has refused to abandon its infantile skittishness in respect to statistics. It is, perhaps, not surprising to find the numerous motion picture historians contradicting each other about virtually every date, fact, or figure in the early history of so fantastic an industry. But in its modern stabilized form some uniformity might be expected. There is none. Statistics issued by film trade papers differ from each other and from those released by the Motion Picture Producers and Distributors of America—the Hays office These in turn differ from many released by the Department of Commerce, which also differ from those compiled by various associations of exhibitors and other industry spokesmen. But through the maze of contradictions and palpable inaccuracies certain trends and broad facts emerge

Even figures issued by the Hays organization, spokesman for the major companies which finance it, and by industry-supported trade papers indicate the close control exercised by the five large companies.

The $2,000,000,000 motion picture industry is dominated today by the five theater-owning major companies· Loew's, Paramount, Radio-Keith-Orpheum, Twentieth Century Fox, Warner Brothers and by the three satellite companies Columbia, Universal and United Artists which, having no theaters of their own, must rely on the Big Five to supply the indispensable first-run outlets for their product The 1944 *Film Daily Year Book* lists sixty-seven producers of feature films, but most of these are inactive or produce inexpensive, rapidly-made "quickies" which are not shown in first-class theaters The returns on these pictures constitute only a trickle in the cascade of film rentals. The overwhelming bulk of rentals comes from the "quality" pictures, of which the eight major companies pro-

duce ninety-five per cent No outside distributing company has released more than 1 per cent of such quality films in recent years

Hollywood defines "quality" films not as pictures of dramatic, artistic or cultural excellence, but simply as features which have been produced at a high cost. The $250,000 mark, which was for several years the "quality" minimum, has now been raised to $500,000 and even far more Joseph Schenck in a recent interview said, "The average cost of producing a good picture now is about a million and a half dollars. That is exclusive of the cost of distribution, advertising and promotion, which can bring the total cost to two and a half million."

Exhibitors tend to accept production cost as a yardstick for film desirability only because of the pressure behind the marketing of such pictures Publicity departments have beaten the public so consistently over the head with weighted dollar signs that masses of dazed film-goers are convinced that a piece of celluloid coated with the magic emulsion of $1,000,000 must be, to use a favorite word of the industry, "terrific." As a result, the eight major companies, which are virtually the sole producers of "quality" films, receive 95 per cent of such total annual film rentals.

This defining of high cost as a synonym for excellence effectively blackballs outsiders from the exclusive club of majors. Only a few producers with assured first-run outlets can consistently risk $500,000 on a film, and the only producers who always control such outlets are the Big Five. At times their satellites can bargain their way into the market place owned by them.

The importance of first-run outlets was recognized early in the development of the industry. By 1917 it had become apparent that films which had first-run showings in the key metropolitan centers could earn many times as much as those denied such showings People would pay to see a picture before their neighbors saw it Originally, the first-run theaters were the largest and most elegant. They advertised heavily and received con-

comitant publicity which circulated throughout the city and the districts surrounding it.

First-run theaters were protected so that no competing theater could get the picture for weeks or months. At times the competing district extended as far as 150 miles Exhibitors were willing to pay premiums to cash in on films with the prestige of first-run showings. Before long most exhibitors refused to rent any other films As a result, the first-run metropolitan theaters became a bottleneck through which any film had to pass to reach the general public.

It is estimated that only 450 of the 17,919 theaters in this country are key city first-runs. The five dominant majors control more than 80 per cent of all first-run metropolitan theaters. The control of these is tantamount to the power to decide what the public will or will not see in all theaters That decision is not difficult to make—the public will see the pictures made by these companies Of course, there are rare products of independents which by appeasement or frontal attacks or threats to go to the Department of Justice are allowed to pass through the majors' tollgate to the market place. Any real competition between the majors is tempered and outbalanced by friendly trades, swaps and accords But even if the Big Five were complete competitors we would say that five companies are too few to control the movies of 138,000,000 persons

Since the Big Five do not themselves always produce enough films to fill the theaters, they accord excess screen time to the output of the three satellite companies—Columbia, Universal and United Artists. Major companies are occasionally quite frank about their intention to absorb as much screen time as possible. According to *Variety* for December 20, 1944

> Fox execs feel that some lower-cost pictures should be produced in order to service double-feature theaters that would otherwise book product from other distribs Firm aims to retain as much of the available playing time as possible as a hedge against the time when the market will be prepared to absorb a greater quantity of films.

Within the exclusive club of eight, however, the domination of the five theater-owning majors is evident. Seventy per cent of the total rental for films goes to them, and an even larger share of the Brobdingnagian money-makers. They have released more than 90 per cent of the films which have each grossed more than $2,000,000 since the introduction of talking pictures, as the following chart indicates·

FILMS GROSSING MORE THAN $2,000,000

| *Company* | *Films Released from 1927 to 1943* | *Films Released in 1944* |
|---|---|---|
| Loew's | 6 | 17 |
| Paramount | 4 | 12 |
| Warners | 7 | 8 |
| R K O. | 3 | 2 |
| Fox | 3 | 13 |
| All Others | 4 | 4 |
| Total | 27 | 56 |

Source 1944-5 International Motion Picture Almanac, Variety, January, 1945.

Within the club, each of the five may seem at times dominant by virtue of its theater-holdings, but to the outside world of independent producers the club presents a solid front. It's not difficult to imagine the extent of public outcry if the five leading book publishers owned the major bookstores of the nation and used such ownership for the initial marketing of their own publications—to the exclusion of all other books except those of a few friends. Under an analogous set-up all other bookstores would handle only reprints and remainders

## THE POOL OF TALENT

Among them, the majors have under contract most of the outstanding writing, acting, directing and technical talent in the world. Sometimes they buy talent and keep it "on ice"—off the market. They also hoarded finished films under our rationing of raw film stock. Some of them purchase unused directors, bands and theater equipment, to keep such assets away from

competitors The practice of bidding competitively for talent among themselves has been somewhat superseded in recent years by loans and swaps within the club Actors, sets, technicians, directors and writers are frequently lent by one major to another, but seldom to independents, as the following chart shows

NUMBER OF LOANS BY MAJOR COMPANIES 1933–1940
(Including loans of stars, featured players, writers, cameramen and other talent)

| *Company* | *To Majors* | *To All Other Producers* |
|---|---|---|
| Loew's | 610 | 56 |
| Paramount | 439 | 46 |
| Warners | 223 | 109 |
| R K O | 109 | 12 |
| Fox | 251 | 7 |
| Columbia | 175 | 36 |
| Universal | 198 | 11 |

Source U S. v. Paramount Pictures, Inc , et al

The major producers assert that their stars represent too great an investment to risk by loans to producers who have "no reputation " Since every major is convinced that only other majors have reputations, the result of this policy is that virtually all talent swims about in a private pool and only the majors have licenses to fish in it

Although it is impossible to argue that "extra" players would lose prestige by appearing under the aegis of independent producers, access to the bulk of this talent is restricted virtually to the major companies The Central Casting Corporation, according to the Hays organization to which it is closely tied, has concentrated in a single place almost the entire demand for and supply of extra labor. No mention is made of the fact that the facilities of the Central Casting Corporation are available only to the eleven member companies of the Association of Motion Picture Producers, (A M.P P ) ten of which are M P.P D.A. members The independent must seek his "extra" players elsewhere.

This close, exclusive cooperation among the majors in respect

to talent not only results in a near-monopoly of an essential raw material of film making, but often in needless waste of such material by keeping it inactive for protracted periods.

Actors, writers and other personnel under contract are subject to a kind of gilded peonage. Their work can be kept off the screen for long periods at the discretion of their studios They can be blackballed from all major studios because of personal or political differences with one important producer

Another instrument by which talent is kept from the screen is known as the "injunction." Artists who violate their contracts are deemed unique in their contributions Hence, it is urged that money damages would not compensate for the injury suffered if a competitor should employ the offending employee. However, the theory of uniqueness is scarcely consistent with the practice of farming out the talent for a profit. I must not be understood to urge freedom for employees to breach their contracts, or to suggest that anyone should be unmindful of the investment often made by producers in developing unknown persons into valuable stars. Nevertheless, I resent the use of injunctions to prevent the audience from seeing such employees. It is even conceivable that our Bill of Rights is so generous as to give an actor, author or director a personal claim in his own right not to be withheld from the market place

Industry leaders, vociferous in defending freedom of the screen for themselves, do not hesitate to deny it to their employees. Nor do they appear to realize that freedom of the screen implies not only freedom to *produce* for themselves, but freedom to *see* for the public. By suspending personnel from the screen for irrelevant reasons they are infringing to some degree on that right to see. But when thoughts and ideas are "suspended" from appearing on the screen the contravention of that right becomes more apparent and significant.

### CENSORSHIP BY AGREEMENT

Procrustean tactics are used to make books, plays or stories fit into the narrow bed of the Hays Production Code. Those that

cannot be stretched or mutilated to conform are irrevocably barred from the screen. Sinclair Lewis' *It Can't Happen Here* suffered such a fate. No matter how they squeezed and cut it to fit into the unyielding framework of the Production Code its theme was still sticking out Will Hays' categorical rejection of *It Can't Happen Here* was explained by "fear of international politics and fear of boycotts abroad" Not only a movie based on the book, but any story based on a similar theme was, by implication, excluded from the screen I mention this one of many examples, not to dip into the question of censorship of content, but because it must be noted that the majors have a *combination* which is directed at content No doubt each producer has and should have the right to make or reject any story The evil arises when a group bands together in a horizontal agreement to reject stories for public consumption. It is as if all booksellers set up a czar to decide what books may be sold by any one of the stores. There would be no reason for public concern if any one company had adopted the Hays Code. Each company should have standards of its own selection But moral standards by group agreement naturally are pegged at the lowest possible level of integrity and courage.

No major company will violate a Hays interdict and no independent company can afford to. More than 70 per cent of the total revenue of a film comes from affiliated theaters—those controlled by the five biggest M.P.P.D.A. members—and none of these theaters will show a film unless it has the M P.P.D.A. seal of approval. Any member theater that did would be subject to a $25,000 fine, never yet imposed.

The Hays Code, when it was originally adopted in 1930, had no more teeth than a hen Producers who first formed the Appeal Board for the Code bargained briskly with each other for exemptions from its restrictions. Then, in 1933, the Legion of Decency launched a militant campaign against salacious films and secured some 11,000,000 signatures on its pledge. A threatened boycott galvanized the industry into action Joseph Breen was made head of the new, more stringent Production Code

Administration (P.C A.) and rigorous penalties were instituted for infringement of the Code. The prurient, sanctimonious spirit and false standards imposed by the Code make it not only an incubus to creation, but a humiliation and degradation to the public. Its avowed intention to produce "entertainment which tends to improve the race, or at least to re-create and rebuild human beings exhausted by the realities of life," appears to be predicated on the assumption that the motion picture public is composed of broken-down and maladjusted degenerates. In brief, giant companies are unwilling to trust the taste and morality of each other The effect of the Code has been superbly satirized by Elliot Paul in his book, "With a Hays Nonny Nonny," in which he struggles in vain to adapt Bible stories for the screen within the framework of the Code. He writes

> If we accept the theory of divine inspiration [for the text of the Bible], it becomes evident that the Author did not share the ideas of censorship now prevalent throughout the world and virulent in Hollywood Unpleasant, even the most shocking, realities were not glossed over by Him Knowing full well that little children and adults with undisciplined minds would read His work throughout the centuries, He did not soft-pedal the sex life of Biblical heroes and heroines . . He took it for granted that the human race could face the facts.

When 11,000,000 persons threatened to go out of the door, cartelized purity flew into the window with a vengeance. A potential loss of revenue from any other large group produces similarly frantic campaigns to delete everything but the sprocket holes in a film to avert the risk of a boycott.

Under its sanctified garment of Protector of Public Morals, the Hays office is constantly fumbling with box-office statistics. The threatened loss of revenue abroad that killed *It Can't Happen Here* emasculated *For Whom The Bell Tolls* Numerous other films have been suppressed or denatured for political or moral reasons, but the Hays office is unwilling to give the public statistics about them. Only a few of the most flagrant be-

come common knowledge. But the specter of the code stalks daily through every studio, blue-penciling as it goes The resultant predicament is expressed by Dudley Nichols, former president of the Screen Writers Guild

> Hollywood, in its fear of losing profits by making enemies, in its mad desire to appease the prejudices of every group, has submitted to an ever-tightening censorship under which it becomes impossible to deal with reality The field of picture writing has become fenced in until it is dry.

Since the Hays organization is in effect the crystallization of the unity of the largest companies, its life-and-death power over scripts is tantamount to limiting the entire industry to the conception of suitable film fare held by those companies. Thus the public's "right to see" is reduced to the lowest common denominator of choice by this small group As a result, the huge film audience, probably numbering well over 100,000,000 persons in this country alone, is subsisting on a film diet limited by the imagination, prejudices and judgment of the handful of men controlling these companies

There is no reason to believe that these men are malicious, bigoted or incompetent. In ability, judgment and integrity they are probably equal to any other handful of men at the helm of big business The danger lies not in these men individually but in the alarming fact that the horizon of more than 100,000,000 persons is limited to that agreed on by a handful of men. Even this horizon shrinks to exclude the differences among those few men, leaving only the most timid level of ideas on which they collectively agree I have enough faith in these leaders to believe that the shabby, tawdry playing up to the edges of the permissible would end if each producer competed for public approval with his own standard of taste.

While the Hays organization is most popularly or perhaps unpopularly known for its role as censor, it engages in a great many other activities as well These are rarely publicized. The Hays office as a disinterested guardian of public morals has

more prestige and influence than the Hays office as a guardian of the interests of the giant film producers Its members have popularized the elaborate fiction that the organization as a whole is far greater than the sum of its parts, that it exercises complete domination over its members individually and collectively. Actually this is a bugaboo raised to frighten little independents. The M.P.P.D.A is, and has always been, financed exclusively by the larger companies It is, in effect, a puppet activated behind the scenes by strings held by the giants.

Hays said a few years ago, "Our organization was formed with nine member companies It has grown constantly until today it comprises the twenty-five most important companies which produce and distribute pictures." Since that statement was made the membership has increased to twenty-eight, but the five major companies, the three satellites, various production units releasing through them, manufacturers of film and equipment and non-theatrical—and, therefore, non-competing—producers of educational films were still the only members. The three most important independent producing and distributing companies, after the eight majors—Republic, Monogram and P.R C—are not included in the roster Warners recently withdrew for a short time presumably because M.G.M and Twentieth Century together were a combine within a combine.

Various important activities of M P.P D.A. are conducted for the exclusive benefit of the major companies Although the organization was formed primarily to avert the danger of government control, it has never been active in getting rid of state censorship of films despite its resistance to state tax measures as a means of control of pictures. It represents its members regularly before state and Federal legislative bodies Charles Pettijohn, general counsel of M.P.P D.A, appeared in the Senate in 1928 to testify against the first bill opposing block-booking Eight years later he was there again, eloquently decrying the evils of another similar measure. In 1940 he reappeared in the Capitol to extol the virtues of block-booking before the House of Representatives. He and other Hays or-

ganization spokesmen have made numerous other appearances before legislative bodies on behalf of the major companies.

The M.P P D A. Foreign Department assists its members "in securing fair treatment in the distribution of their films abroad," according to *Film Facts*. "In the past twenty years the Association has taken a leading part in successful negotiations concerning restrictive legislation abroad." It is reported elsewhere that when Hungary attempted to impose a quota system on United States films in 1926, the Hays organization threatened the withdrawal of all United States products from Hungary, thus quashing the proposed quota system The M.P P.D A. is now engaged in organizing a united front for the giants to do battle against restrictions on our pictures in other nations

The Hays office is reported to have felt its oats similarly in connection with "restrictive legislation" in this country When the State of Connecticut imposed a tax of $10 a reel on films, the organization declared a boycott against that state, intimating that "an object lesson will be made of Connecticut "

The M P P.D A also has a Theater Service Department, which concerns itself with affiliated exhibitors' relations. In this department also "information and statistics on the business development of the industry are assembled, checked and supplied to units in the industry for various uses," *Film Facts* says. Little of this is available to the public.

At one time independent theater owners were complaining bitterly about the use made of statistical information by the film boards of trade The Hays office denied that these boards were connected with it, even though they were financed by the same groups and had the same general counsel and general attorney, according to testimony before a Senate hearing. These boards were established in key cities throughout the country by producers and distributors In the Senate it was testified that

> The film boards of trade undertook to settle disputes between exhibitors and chains of producers Attached to each film board of trade was a credit committee If a credit committee reported

adversely to an exhibitor, all the member producers and distributors withdrew their product from the affected theater

Again the court had to step in. It was decided that the credit committee's activities were an illegal restraint of trade. The film boards of trade also attempted to allocate preferential and subsequent runs to the theaters within their zones and to determine the "clearance period," or time that was to elapse between runs for these theaters. Uniform clearance and zoning schedules were set up for all the majors to follow But these were ostensibly abandoned after the plan was declared illegal by the courts In recent years film boards of trade have diminished in number and importance.

As a trade association the Hays office has been well worth its hire to the Big Five It has sheltered them from public scrutiny and attack It has not reduced the jealousies among the Big Five but it has done a mighty job in keeping all other producers out of the market place. It will be interesting to watch Eric Johnson, a proponent for small business, operate as Will Hays' successor To those who are on the outside of the circle which controls the industry his plans for expansion of the M P P.D A. are all well meaning, but fail to come to grips with the essential needs of separation of production from exhibition, and the dissolution of all exhibition chains The Federal courts may speak out before Johnson can be heard

## PICTURES WITHOUT DISTRIBUTION

Early in the development of the motion picture industry the importance of distribution became so apparent that all the larger producing companies set up their own nation-wide releasing organizations Today, in discussions of the industry, the distribution branch generally receives less attention than either production or exhibition. The pivotal importance of this wholesaling function has been obscured by its apparent absorption into the production operation Distribution, having become a prerequisite of large-scale production, is accepted as a part

of the producer's corporate body, much as a man accepts his leg It causes no special concern—unless it is missing Then its vital importance becomes apparent The independent producers, who in the main have no distribution organizations, are in the competitive situation of one-legged men trying to race against men with two legs. To enter the race at all they must ride pickaback, which is very expensive. But there are only eleven nationwide distributors in the country Some of these do not carry pickaback passengers on any terms

There are only two companies at this time that distribute any substantial amount of the product of the independents—R K.O. and United Artists—the latter owning no theaters. But the trend is clearly in the direction of all large companies taking on independent product—with varying degrees of independence.

Unless an independent producer is able to arrange for release of his pictures, he can have little if any hope of securing outside financing. He might as well not produce at all. However, if a producer can make such a distribution arrangement, bankers may lend him part or even all of the cost of production. According to *Variety:*

> A releasing deal with a major distributor is computed worth $250,000 to a producer, if his picture is even fair Once given a releasing arrangement the producer obtains regular bank or private financing.

Furthermore, the Big Five control to a great extent the fate of an independent picture, once it is made. The control is exercised through their theater ownership. They have the power to bar it from the most remunerative sector of the market—the estimated 2,800 houses controlled by the five theater-owning majors. From these theaters, constituting only about one sixth of the entire number, comes the bulk of the domestic returns of a picture. In the distribution branch of the industry, even more clearly than in the productive, extensive independent production can, by and large, exist only at the tolerance of the major companies, or under severe competitive disadvantages.

This does not mean that independent producers have not prospered. But against what odds! It is generally agreed that between two pictures of equal box-office appeal the difference in receipts favors the product of a major owning theaters over that of an independent by as much as $500,000. Ownership of brick and mortar tips the scales heavily in all cases in favor of the theater-owning producer. This is less than decent competition in a democracy. Pictures do not compete against pictures, but often against brick and mortar

The Big Five in their dealings with both outside producers and exhibitors display a remarkable uniformity. This uniformity is based on no written or oral agreement as yet discoverable. Since any such agreement would smack strongly of illegal combination, it is indignantly denied. Yet by amazing coincidence, whatever first, second or subsequent-run classification is given a theater by one of the quintet is also given it by the others. And the "clearance," or agreed time that must elapse between the showing of a picture by one theater and a subsequent-run theater in the same competitive area, is generally uniform in a given theater's contracts with all the distributing companies.

The largest distributors, working in cooperation, have the power to determine what run a theater shall have. Implicit in this power is the ability to decide whether a theater shall have *any* run or, in point of fact, exist at all

There are cases on record in which the giant companies functioning in concert have refused to sell their product to theaters on any run and have forced them to close their doors for lack of sufficient or desirable films Such tactics, however, run afoul of the law if disclosed and if the exhibitor dares complain In general, it is to the advantage of the producers to have as many theaters in operation as possible, since their product has a value directly related to the number of houses in which it can be shown Attempts are made to close theaters only in areas where competition detracts from the profits of existing theaters affiliated with the five majors. Otherwise, the giant distributors dominate the independent theaters through a series of

trade practices developed by them principally to insure the continuity of their control.

The peculiar nature of the industry lends itself to the development of unique trade practices. In most industries the ownership of the commodity passes from manufacturer to wholesaler to retailer and finally to the public In the film industry, however, ownership of the commodity seldom changes hands at all. The producer makes a negative film, protected by copyright, from which positive prints are made. These prints are turned over to the distributor and leased by the distributor to the exhibitor, who is granted, under the copyright, the right to show the film to the public. Ownership of the commodity is retained by the producer or distributor, who is thus able to exercise control over certain conditions of its exhibition. He has the power to determine when a film shall be shown to the public—an important factor in the film industry where the freshness of the product is almost as valuable a consideration as in the fish or egg business

Independent exhibitors, who must be assured of a constant supply of pictures and some access to quality films in order to operate continuously and profitably, have little choice but to deal with the dominant distributors, who control about 70 per cent of all films and 95 per cent of the quality pictures. Since they are often forced to do business on whatever terms the majors impose, the dominant distributors, to the extent that they regulate choice of films, admission prices, playing dates and general theater policies, exercise virtual control over numerous theaters without having to bear the risks and responsibilities of ownership. All of which tends to close the market to independent producers

The trade practices current in the industry are largely effective in securing for the majors this control without risk. These practices fall into two main categories—those arising from the majors' function as distributors and those affecting the Big Five's position as competing exhibitors. The categories are not, of course, distinct. They are simply two facets of the same

personality Were it not for the ownership of theaters and the accords in practices among the majors as to distribution, there would be no objection in permitting each producer to take his chances in the market place by fixing clearance, run, playing dates or other terms for his product. These terms would be subject to free competition with other pictures on other terms in the market But at present there is no market to amount to anything other than that tightly limited and controlled by the five giant companies.

Such practices as block-booking, blind selling and designating play dates, which are primarily distributional, serve in their eclectic application to give theaters affiliated with or owned by the majors an overwhelming advantage. They also stifle the exhibitor's choice—and the public's selective capacity Furthermore, such practices create unfair burdens on independent producers

### NO RIGHT TO CHOOSE

Block-booking is the simultaneous renting by a distributor to an exhibitor of a group of films at an aggregate price. The block of films is selected by the distributor. The exhibitor must contract for the entire block to get any of the pictures in it. These blocks may vary in size from a few pictures to the entire annual output of a company. Occasionally the exhibitor is given the alternative of choosing pictures singly, but the rental for films separately chosen is often placed prohibitively high.

Block-booking has been one of the most controversial practices in the industry for years. It has been persistently attacked by independent exhibitors and independent producers. It has been condemned by the Federal Trade Commission, considered in courts and decried by consumer groups. Bills against it have been introduced in the Senate or the House of Representatives nearly every year.

The five giants and the two satellites which produce pictures themselves defend this practice stoutly. Carl E Milliken, sec-

retary of the M.P.P.D.A., explained their position in the following terms.

> The theater manager who leases more than one film at a time does exactly what you do when you subscribe to a magazine . . . and pay for it by the year instead of by each issue as it comes from the press . . . The subscriber to *The Ladies' Home Journal* knows little about the details of the contents of the monthly magazine that will come out during the year. The subscription is based upon the satisfactory experience of the past . . . So the theater manager, in contracting for all or part of the pictures produced by a certain company in advance of actual production, does so because of his satisfactory experience in the past.

This magazine analogy is very popular with industry spokesmen but it is far from fact. The exhibitor is not the ultimate consumer, like the magazine subscriber. His position is more closely analogous to that of the editor of the magazine. And, of course, no sane, free editor would habitually buy the total output of a writer "because of his satisfactory experience in the past" and hand it on to the public unread.

Industry spokesmen also maintain that block-booking is merely wholesaling, that the simultaneous sale of a block of films results in savings to the distributor which are passed on to the exhibitor and eventually to the consumer. While it is cheaper to sell films in groups than singly, the economies are inconsequential, and there is no evidence that even these savings are passed on to the exhibitor or the consumer.

Hays office figures indicate that the cost of distribution constitutes only 10 per cent of the box-office dollar. Of this amount, it is estimated that direct sales expenses account for only one third of total distribution costs. Furthermore, the abolition of block-booking would not mean that the exhibitor would have to purchase films singly in a large number of separate transactions. It would simply forbid making the purchase of one film conditional upon the purchase of another. The issue has been obfuscated by telling exhibitors that in the absence

of block-booking they would have to make a separate trip to the exchange city in their territory to negotiate the purchase of each film.

The major producer-distributors have also defended block-booking on the ground that it offers assured minimum returns, making it economically possible for them to produce better pictures. This argument is only as valid as the Hollywood definition of costliness as a synonym for quality. The moguls' naive conviction that only high budgets can breed high profits persists despite the failure of numerous lavish productions and the success of many low-cost films

There is little reason to believe that block-booking has improved the quality of films. The contrary is more likely If each film were sold separately on its merits, it would be financially unsound for producers to make or release many of the inferior pictures now foisted on exhibitors in packages with desirable films.

Exhibitors complain bitterly about the necessity of contracting for numerous poor films to get the best product of a company They also find that block-booking prevents them from selecting films suitable for their communities. The major distributors, however, are generally unwilling to admit that a profitable picture may not be desirable in some communities. When one exhibitor wrote to a major company requesting the cancellation of a picture on the ground that "it is the most horribly brutal and revolting picture I have ever seen," the distributor answered, "Inasmuch as the picture is doing outstanding box-office business everywhere, we cannot accept the statement in your letter . . . as a basis for canceling this picture."

The consumer, who is often geographically limited in his choice of theaters, must rely on the selection of films made by the exhibitors in his vicinity By curtailing the exhibitors' freedom of choice, block-booking imposes on a given community a program of screen fare selected by distant executives who have no knowledge of the tastes or requirements of that community.

Indirectly, block-booking serves further to limit the pub-

lic's right to see. After an exhibitor has contracted for the output of several major companies, his screen time is completely filled and he is unable to lease any of the product of other companies. This makes it increasingly difficult for independent producers to find a market. A spokesman for independent theater owners wrote

> Most small towns find after they have been forced to take the full line from M G M , Twentieth Century Fox, Paramount and Warners, they have no playing time left and are, therefore, unable to contract for the partial feature output of the other companies This naturally results in their being unable to show many worthy and desirable pictures each year

The independent producer of two or three pictures a year produces pictures one at a time. He is in no position to average good against bad Hence, the practice is a direct assault on the independent producer and his product It not only opposes the public interest directly by curtailing the immediate right to see, but indirectly by discouraging independent production, implicitly limiting the public's future choice of film fare.

It is important to note that compulsory block-booking is not enforced on affiliated theaters—those which the majors themselves own I assume it is in the interest of the theater-owning major companies to operate their theaters as profitably as possible, especially since these five companies receive most of their income from their theaters, according to Mae Huettig's book, "Economic Control of the Motion Picture Industry"

The majors' arrangements with their own theaters are generally "selective," permitting affiliated theaters to choose only the films they want to exhibit and to reject the rest Large independent chains, by virtue of their great buying power, are often able to secure selective contracts too But this privilege of choice is only for the large circuits and the theaters owned by the major companies. What is sound for their theaters should not be unsound for the independent exhibitor. As a result of the variation in this practice the small independent theaters and

their audiences alone are made to underwrite the cost of production of the inferior pictures.

Compulsory block-booking was one of the offenses charged against the major companies in a complaint filed against them by the Department of Justice in 1938 The matter was temporarily settled by a consent decree, but it has now at last come to trial.

Block-booking is at present limited to relatively small blocks But now we find a more restrictive practice taking its place Nearly every independent exhibitor is tied to a producing company's product. The large companies have imposed the equivalent of franchises, or designation of outlets, on most independent exhibitors. Exhibitors pool the product of large producers, rather than bid for it Hence, the product for a season or a year or for years is virtually divided up by producers to designated theaters. The small exhibitors have lost their freedom of choice, not over blocks of five pictures but over an entire year's product An independent exhibitor seldom if ever can get a picture away from the theaters favored by a major company Thus, we have in effect, although not in writing, agency arrangements, which, as in the case of automobile distribution, are exclusive and non-competitive.

But cars compete in price, while in the movie business theater admission prices stay fairly fixed, irrespective of the value or popularity of the pictures shown The exhibitor who receives a franchise is not free to sell the product of any producers except that of the few large companies which have designated him as "favored" outlet.

Also attacked in the government complaint against the giant companies was the enforced buying of short subjects as a condition of licensing of features, a practice which is another phase of block-booking or chosen outlets.

Exhibitors have frequently been compelled to buy all the newsreels, comedies, serials and other short films produced by a major company in addition to its total output of feature films This practice, like compulsory block-booking, does not prevail

in dealings with affiliated theaters, nor with some of the large chains

Independent exhibitors have complained that when they buy from several distributors they frequently have more short subjects than they need, but must pay for them whether or not they exhibit them. Since the admission price reflects the exhibitor's costs, the audience either pays for shorts it does not see or is subjected to an endless succession of them.

The Temporary National Economic Committee Monograph No. 43 gives another ground for complaint against the practice

> The short subject in some cases provides a try-out for talent which may prove suitable at some later period for use in feature pictures Stock short subjects also constitute a relatively inexpensive training ground for directors and technicians The cost of these beginners' efforts is then at least partly defrayed by booking the shorts into independent theaters . It may also be pointed out that some of the shorts which reach the screen do not tend to make the consumer appreciate the advantages of using these one- and two-reel subjects for try-outs and training.

This device also operates against the audiences and is an unfair trade practice vis-à-vis independent product which has no capacity to "force" its way to the public

The practice of blind buying, known as "blind selling" from the producers' point of view, is a necessary counterpart of block-booking or annual franchises. It consists of selling films to the exhibitor before he has seen them, frequently before they have been produced or even written. A contract with an exhibitor made during the autumn selling season may include complete descriptions of one or two films that are near completion, a tentative synopsis of two or three more and perhaps a note of the stars expected to appear in a few others The rest are identified only by number and price classification

Under the consent decree, which followed the government filing of its complaint, the five producer-distributor-exhibitor companies agreed to eliminate blind selling by previewing each

picture before leasing it. On the whole these previews were sparsely attended by exhibitors. The Big Five have pointed to this fact as proof of exhibitor indifference But Harrison, who writes a weekly report devoted to the interests of exhibitors, has indicated that the dominant distributors so mismanage trade screenings that exhibitor attendance is necessarily discouraged Screenings have been delayed without notice to suit the convenience of a large circuit buyer and tradeshows of the various companies have frequently conflicted with each other.

Mr Harrison cites recent figures of screenings conflicting in twenty-seven out of thirty exchange cities one day, and in twenty-six out of thirty-one exchange cities a few weeks later. Blind selling of separate enforced pictures becomes evil *only* in the kind of controlled market existing today under the five-company domination In a free market there would be no objection to advance or blind selling of movies. Then competition would be able to exert its beneficent influences between blind or open and visible selling.

Important productions are generally marketed on a percentage basis, rather than for a flat rental Since it is to the interest of the distributor to have his film played on a peak attendance day, the major distributors, in dealing with the weaker exhibitors, frequently specify on which days of the week certain pictures are to be shown.

According to United States Department of Commerce figures, attendance is far greater on week-ends than during the week, as the following table indicates.

| | *Per cent* | | *Per cent* |
|---|---|---|---|
| Monday | 10 | Saturday | 20 |
| Tuesday | 10 | Sunday | 25 |
| Wednesday | 10 | | — |
| Thursday | 10 | Total | 100 |
| Friday | 15 | | |

Distributors generally specify that percentage films *must* be shown on week-ends. Independent exhibitors decry the designating of play dates as a further infringement on their right to

operate their theaters as they choose Often they would find it economically advantageous to play strong attractions to encourage attendance during the week-day doldrums Furthermore, distributors often select for week-end showing films that are not suitable for the customary "family trade" on those days.

Independent producers condemn the practice because their product is relegated to the less profitable days in a market infected with compulsory booking.

Small exhibitors are opposed to percentage deals in general. One reason is the additional interference from the dominant distributors implicit in the mechanics of such deals. The distributors generally have checkers in the theaters during percentage showings. The information so secured is later used by salesmen in fixing rental prices for the succeeding season

The system of checkers is essential wherever there are percentage deals because of the extensive cheating by exhibitors The Big Five have their own checker system with joint access to information obtained Moreover, if the majors catch an exhibitor cheating too much, the exhibitor's franchise is properly imperiled

In some cases, it is said, the checkers go too far One independent theater owner said

> I have been told by distributor branch managers that in fixing the price of films the profits I make and the earnings that accrue to my theaters from popcorn and candy sales are taken into consideration.

There are several forms of percentage deals, including straight percentage, percentage with a guaranteed minimum rental, and "sliding scale," in which the percentage received by the distributor increases if box-office receipts exceed certain figures. Out of his share of the receipts the exhibitor must pay all his theater expenses

Exhibitors say that percentage pictures make the big distributors virtual partners in the independent theaters—partners who have made no investment and assume no risk but dictate

the policy and take the biggest bite of the profits. In very small towns and theaters flat rates are still charged, but I doubt if exhibitors would really prefer a universal system of flat fees.

The number of percentage deals has increased sharply in recent years. The percentages required by the distributors have also risen steadily. Percentage dealing carries no vice within itself, but under present conditions this type of domination of theaters further contracts the bottlenecks of the market in the hands of the majors who dominate the theaters

Occasionally the major distributors resort to "blind pricing"—the device of delaying the placing of a picture in a price category until its drawing power has been determined. Sometimes the price of a picture is not set until after it has completed its run at the theater in question Under such an arrangement the exhibitor cannot know what a picture is costing him until after he has played it.

Independent exhibitors who own a few theaters also complain of the enforced "block-booking of theaters" by the large distributors. This practice consists of forcing an exhibitor to license a picture for all his theaters in order to obtain the film for any one of them. As a result, the owner of a small chain may have to buy films he cannot use for one theater to get a sufficient supply for another It also restricts his ability to buy pictures of independent producers Such practices could not endure if the large circuits were broken up and if the producers were prevented from owning theaters.

### BRICK AND MORTAR BARRICADES

The exhibition branch represents the greatest capital investment of the three branches of the industry, as Hays office figures show.

ESTIMATED CAPITAL INVESTMENT IN U S MOTION PICTURE INDUSTRY

| | |
|---|---|
| Theaters | $1,900,000,000 |
| Studios | 125,000,000 |
| Distribution | 25,000,000 |
| Total | $2,050,000,000 |

The exhibition branch also produces by far the largest returns of the three. For the five fully integrated companies, theater holdings serve not only as the principal source of revenue, but as the stalwart bulwark which prevents occasional production losses from administering a knockout blow *Poor's Register* for 1943 shows that R.K O had a net loss in production operations of $2,349,986 in 1942, and a net income from theater operations of $3,091,803 Others of the five theater-owning majors have shown similar production deficits from time to time. But their profitable theaters have pulled them through. In the 1943-4 season nineteen theaters—first-run, of course—grossed more than $12,000,000 The five companies are primarily in the theater business According to Mae Huettig,

> The production of films by the major companies is not an end in itself, on the success or failure of which the company's existence depends, it is an instrument directed toward the accomplishment of a larger end, *i e*, domination of the theater market

Although the major companies own or control only about 2,800 theaters—approximately 16 per cent of the total of 17,919 in operation in the United States—they exercise indirect control over all the rest It appears improbable that so small a dog can wag so large a tail until the size, type and strategic importance of the affiliated theaters is taken into account.

Of the 17,919 theaters in the United States, 6,617 are located in cities of only one theater. (See Exhibit R, page 302 ) There are 1,439 two-theater towns Of the 2,358 film theaters presently closed, most are located in small towns The *Film Daily* estimates that of the two-theater towns there are more than 1,000 where the only two theaters are operated by the same management. Thus, in more than 7,000 towns there is no exhibition competition whatsoever. This means that nearly one half the entire number of theaters has no competition, except where towns are close enough to each other for people to travel between them for screen entertainment. In many such cases, moreover, a single ownership boxes up several adjacent towns

Most towns of 2,500 population have only one theater. In an economy free of present restrictive practices by exhibition chains, etc., many of these towns might support more than one theater. With cheap new prefabricated theaters we may test the economic capacity of areas to support more than a single theater.

Towns of 2,500 to 10,000 population generally have two theaters. Few of the theaters in such towns are owned by the Big Five Many of these so-called "closed situations" are controlled by exhibition chains, gaining their domination and exercising their controls in a manner of which the United States Supreme Court thoroughly disapproved in the Crescent (Tennessee) case.

Estimates indicate that between 7,500 and 8,500 theaters are independently operated, either singly or as members of circuits Such circuits also operate theaters in approximately 750 towns where there are two theaters under competing management.

Such data indicate the wide areas of the nation where exhibitor competition is minimal—where a single-theater owner or owner of a chain holds power similar to that of the publisher of the only daily paper or owner of the only radio station of a district

That is bad enough for the nation and the movie audience Much of it may be unavoidable Obviously, there is a minimum point of population below which the audience cannot support competition of theaters. But topping all these facts, we find that out of the other half—about 9,000 theaters—the Big Five dominate about 2,800.

These 2,800 theaters include the largest and best in the country. About 25 per cent of the estimated 11,700,000 total seating capacity in the United States is concentrated in them The average capacity of all theaters in the country is about 620 It is estimated that the average affiliated theater seats 1,000. Deluxe metropolitan first-run houses, which are for the most part affiliated, average more than 1,400 seats. A recent survey shows

that only 5 per cent of the theaters seat more than 1,500 people and that 35 per cent of the theaters seat less than 350.

The admission scale in these larger, better theaters is substantially higher than in the average theaters. Nation-wide radio, press and magazine publicity is timed to make the public fever of anticipation break out into a rash of paid admissions coincident with runs in these theaters. As a result, the affiliated theaters, representing only 25 per cent of the total seats, account for an estimated 70 per cent of the nation's box-office receipts.

One of the objectives of the anti-trust suit against the majors is the "divorcement" or separation of the production and exhibition interests and the "dissolution" of these theater chains Under the consent decree, however, there was only a weak hope expressed that:

> no consenting defendant shall enter upon a general program of expanding its theater holdings. Nothing herein shall prevent any such defendant from acquiring theaters or interests therein to protect its investment or its competitive position or for ordinary purposes of its business

Nevertheless, several of the companies have continued to acquire more theaters.

The importance of the affiliated theaters lies primarily in their quality and location. They consist almost exclusively of first- and second-run theaters, strategically placed to dominate areas where the concentration of population is high Affiliated control extends to more than 80 per cent of all metropolitan first-run theaters and includes the ownership or managerial voice in all first-run theaters in twenty-three key cities In seventy-three of the ninety-two cities of more than 100,000, in our entire nation, the major companies, through their control of first-run theaters alone, secure well over half the total box-office receipts

In *all* cities in which the population is more than 1,000,000, the Big Five also control exhibition. In many of these largest cities, where first-run theaters yield a relatively small propor-

tion of the total revenue, the Quintet own the more profitable neighborhood theaters.

In New York City, which produces 13 per cent of the film rentals in this country, first-run theaters yield only 20 per cent of the total rentals. There the majors have judiciously acquired subsequent-run theaters as well as first-run houses and they derive from their affiliated theaters 70 per cent of the total New York City rentals In several smaller cities, where first-runs yield as much as 80 per cent of the total rentals, the majors own first-run theaters exclusively.

The Big Five fondly describe their first-run theaters as the "show-windows" for their product. These show-windows are unique. They are the only ones in existence in which the most profitable part of the business is transacted. Since the giant companies own the vast majority of the theaters showing their films during this period, they simultaneously reap one harvest of box-office grosses as exhibitors and another of film rentals as producer-distributors.

Ownership of first-run theaters gives the producers not only a substantial slice of film rentals but virtual control over the essential source of supply for all other theaters. The strategic importance of first-run theaters in the marketing of films, which has been discussed in relation to production, becomes even more apparent in exhibition. Since the major companies are primarily first-run exhibitors, it is to their advantage to extend the initial run as long as it is profitable and not share the first, fine, remunerative rapture of the public with independent exhibitors This policy frequently produces a starvation-among-plenty situation, in which a large backlog of unreleased films awaits exhibition in the "show-cases," while the later-run theater owner exhibits a lean and hungry look Even during war-time, when we rationed raw film stock, the major companies hoarded on their shelves more than 100 feature pictures.

During the present period of what *Variety* calls "socko" returns, this situation has been aggravated by first-run "move-overs"—the shifting of pictures from theaters in which they

have completed their showings to other theaters owned by the same interests, where they continue to be shown as first-runs. These extended runs and "move-overs" not only diminish the box-office value of a picture to a second-run theater by delaying its exhibition there, but also siphon off a considerable portion of potential later-run attendance.

Occasionally major companies also elevate some of their own second-run theaters to first-run status Independent second-run theaters have about as good a chance of achieving such a promotion as has a buck private of receiving a spot commission as brigadier general. First-run status is not achieved by ingenuity It is an act of grace on the part of one or more of the Big Five

It is sometimes predicted that the Quintet interests will eventually acquire all the theaters in the country. But it seems highly improbable that any large-scale theater acquisition program will again be tried, unless it be as a result of post-war cheap, prefabricated, movable theaters The recent expansion of affiliated interests would have been far greater had it not been for the pending anti-trust suit.

Some of the companies have not forgotten the disastrous results of omnivorous absorption of theaters in the late twenties and thirties, which led even some of the giants into bankruptcy. Loew's (M G.M.), for many years the most stable of the companies financially, has always proceeded cautiously and conservatively in acquiring theaters. Universal, on the other hand, expanded its exhibition facilities so rapidly that it was blown completely out of the exhibition field.

Most of the independent theaters are small Since the cost of operation of a theater does not rise in direct proportion to the number of seats, the risk in operating small theaters is greater. Furthermore, as has been pointed out, the Big Five exercise virtual control over every theater in the country through their domination of the first-run houses. Only at rare times is an independent producer able to persuade an exhibitor to take the risk of alienating the good-will of the majors. Hence, there is no real incentive for the five giants to make the huge

investment required for actual ownership of the remaining theaters, or to assume the difficulties and risks of operating them

In exhibition, as in production, competition among the five major companies has largely given way to "cooperation." During the early hectic campaigns of theater expansion, several of them acquired competing theaters In the subsequent reshuffling of theater holdings, each major gradually assumed control of separate areas The five companies all continue to operate first-run outlets in key cities, but their less important theaters are concentrated in different localities.

Paramount's large holdings, consisting of more than half of all affiliated theaters, are concentrated in the Southern, New England and North Central states. Fox is the dominant exhibitor in the Pacific and Mountain states It also operates sizable groups of theaters in Kansas, Wisconsin and Missouri Loew's (M G.M ) theaters are principally concentrated in New York City Warners' holdings are centered in Pennsylvania It also has a considerable number of theaters in New York, New Jersey, Massachusetts, Connecticut, Washington, D. C., and Ohio. R.K.O 's theaters are concentrated in New York and New Jersey.

An analysis by states fails to indicate the full extent of the regionalization of affiliated interests. Where several of the major companies appear to have conflicting holdings, the theaters are generally grouped in separate parts of the states and are not in competition. In some areas conflict has been avoided by joint control of theaters by two major companies More than 200 theaters are operated under such dual management—a minor cartelization. Each of the five companies operates one or more theaters in conjunction with another major.

Attempts have been made to explain the close cooperation among the majors on the ground that many of the key men in the various companies are related to each other In fact, during a Senate investigation, one Senator questioned a film executive on the subject extensively, in attempting to establish the reason for the unity of the major companies. This is not the only basis

for cooperation. Actually, the reason is quite different and far more logical—the producing theater-owning companies are the indispensable sources of supply for each other's theaters, and the best customers for each other's films. Negotiations between them follow a pattern of reciprocal back-scratching The practice is so common as to be called "cross licensing." As exhibitors, they give preferential deals to the product of the other four integrated majors As distributors, they discriminate in favor of affiliated theaters at the expense of all others

If one company tried to step out of this formal and mutually profitable minuet, joint reprisals from the other four would probably prove disastrous to the recusant. No one company can afford to dispense with the first-run outlets and rentals with which the other affiliated theaters provide it. Even Paramount, with its vast holdings, receives only 25 per cent of its rentals from its own theaters, according to an article in *Fortune* Furthermore, the output of any one company alone is insufficient to provide its theaters with a continuous flow of films The product of at least one or two other majors is required for profitable operation.

## THREE LITTLE SATELLITES

Even the Big Five together do not make enough films to fill all of each other's theaters continuously, especially in view of the prevalence of double features The product of the three satellites—Columbia, Universal and United Artists (U.A.)—is required to absorb the full screen time. Of these three, United Artists occupies the dominant position in respect to playing time and rentals It is a distributing company which releases films produced by its stockholders and other producers who are not connected with any of the other majors. When it was originally formed in 1919 by Mary Pickford, Douglas Fairbanks, Charlie Chaplin and D. W. Griffith, a Hollywood wit said, "The lunatics have taken over the asylum!"

U.A. originally was a cooperative, financed by the group which made the pictures. Of recent years it has been owned by

persons who make few pictures Hence, it is primarily a distributing entrepreneur. Plans have long been discussed to reorganize U.A. so that producers will be the owners. A vital distributing agency for the product of independent producers is sorely needed but not likely to develop until the five majors are forced to sell their theaters.

The bulk of Columbia's product is used generally on affiliated screens to fill in double bills Universal's product had the same status until a few years ago when, believing its pictures had improved markedly, it refused in one territory to accept the low rentals and second-billing customarily given its films When the dominant affiliated exhibitor in that territory refused to give Universal the better rentals and playing time it felt its pictures deserved, Universal went to unaffiliated subsequent-run theaters and gave them first-run rights to its pictures. Soon after a few such deals had been made with independents, the affiliated circuit capitulated Universal's daring and aggressive policy and improved product succeeded in raising its film rentals above R K.O 's to fifth place in 1944, according to trade papers. Naturally, however, R K O.'s theaters brought that company's total revenue higher

Few independents are big enough in dollars or quantity of pictures to fight the majors However, Goldwyn and Selznick together were able to rent a Broadway, New York, theater for their product, but only after Bob Hope's pictures could not be shown in any suitable Broadway showing.

The full vertical integration of the five companies, taken singly, does not present a formidable menace to competition It does give each of the theater-owning companies the advantage of an assured minimal market for its own films But that is relatively unimportant. Sometimes, in fact, the companies do not avail themselves of it During one Congressional investigation testimony was given that the major companies foisted many of their inferior films on independent houses and did not show them at affiliated theaters at all.

The vertical integration of the five majors assumes its tragic

importance only when considered in conjunction with the horizontal integration of these five companies at every level On the exhibition level, these five units form a closely knit whole with powers far greater than those of the sum of its parts Among the functions of this Union of Five is that of Social Arbiter of Theaters No tyrannical dowager ever exercised the power of social arbiter more zealously.

### RUN AND CLEARANCE

The "Four Hundred" of the exhibition realm is, of course, composed of first-run theaters—those given earliest access to films in their respective zones. The cast is an exclusive one. It is generally augmented only by members of the affiliated family. Newport society allows an occasional parvenu to slip through the gates, but film society is more circumspect The construction of a large, expensive theater will by no means assure a bid to the First-run Cotillion.

Theoretically, a theater negotiates separately with each distributor for its run But actually the Big Five, with impressive and almost invariable uniformity, accord substantially the same run to a given theater The zones into which the majors have divided the country also show a remarkable degree of conformity. Each zone supposedly includes only those theaters which are in direct competition with each other But independent exhibitors claim that zones have expanded beyond all reasonable limits in many areas in which the majors have acquired theaters.

Inextricably involved with run and zoning schedules is the "clearance" time which must elapse between two runs of a picture in the same zone. In small towns with one or two theaters, clearance and run present no great problem. But in large cities, where many theaters are competing for patronage, these factors assume considerable importance. Clearance is usually longest between the first and second runs of a film. The difference in rentals between these two runs is generally greater than that between any two subsequent runs, as is the difference in

admission prices. The exhibitor believes that the clearance given his theater must be sufficient to make the remoteness of a subsequent run discourage any public tendency toward frugal waiting.

In cities where most of the second-run theaters are affiliated with the majors, clearance between the first two runs is generally small. In areas where the majors own only first-run theaters, clearance tends to be longer Frequent cases are recorded in which an affiliated second-run theater is given access to films before a competing second-run theater charging the same prices In Washington, D. C., for example, where Warners owns two first-run theaters and nineteen neighborhood houses, its affiliated Calvert and Uptown theaters were regularly given pictures several days before the modern and attractive Apex theater—an independent in the same section which charges the same admission prices as the two affiliated houses Arbitration failed to bring satisfaction. Only the threat of an anti-trust suit succeeded in securing equal treatment for the Apex theater.

The clearance and run granted by the Inner Circle is not only remarkably uniform during one season but tends to persist unaltered for indefinite periods, freezing the existing status of theaters This system tends to inhibit the construction of new independent theaters In many instances theaters built for prior-run patronage find themselves assigned to very late runs and are forced to charge admission prices too low to make the ventures profitable. Occasionally, such theaters have been given no run at all.

Under the consent decree it was provided that "No distributor defendant shall refuse to license its pictures for exhibition in an exhibitor's theater on some run . . . unless the granting of a run on any terms to such exhibitor for said theater will have the effect of reducing the distributor's total film revenue in the competitive area in which such exhibitor's theater is located."

The decree also provided for exhibitor complaints about runs to be submitted to arbitration. But the arbitration provi-

sions were ineffectual. They were hemmed in by too many of what exhibitors called "grandfather clauses," relating to the type of theaters, admission scale and financial standing of the exhibitor. Independent producers found that under the decree their product was still entering the market place under great artificial burdens established for the benefit of the theater-owning majors.

The Temporary National Economic Committee report summarizes the clearance situation in these words:

> The clearance developed between a number of theaters, wholly independent of affiliation with other theaters or with distributors, and competing with each other for films and protection terms, is likely to approximate the conditions most desirable from the consumer standpoint . . . It is when a large number of the theaters are joined together into a single bargaining unit that unfair clearance is likely to develop. It is apparent that the problems arising from unfair clearance and zoning . . . are almost wholly a result of large-scale combination of interests in the exhibition field.

Admission prices also play their role in the complex clearance-and-run mechanism. It is customary for the largest distributors to specify minimum admission prices in all contracts with exhibitors. If an exhibitor lowers box-office prices to attract more patronage, his theaters will be changed to a later run by all dominating distributors acting in concert. With the increase in percentage deals, the major producers' interest in maintaining box-office prices on all runs has become greater. Such price maintenance to the consumer by the producer would be a valuable social service to protect small business, if it were not carried out by an accord between producers or chains of exhibitors, as in the movie industry.

The practice of specifying admission prices is sometimes used by the circuits to gain an advantage over small later-run theaters. The powerful Interstate Circuit in Texas, affiliated with Paramount, notified each of the major distributors that "A," or high-quality, films shown by the circuit at a forty-cent admission price were never to be shown "at any time or in any theater

at a smaller admission price than twenty-five cents for adults in the evening." Since subsequent-run theaters in the district customarily charged admission prices of ten or fifteen cents, many of them were unable to show the "A" product of any of the majors. The public had the choice of seeing undesirable pictures at the subsequent-run houses or patronizing Interstate first-run theaters at higher prices than they were accustomed to paying.

There is a partial analogy to cheap reprints of books If you wait long enough many of the best books originally published at $3.00 are purchasable at 98 cents or even 25 cents Most book publishers maintain and fix the consumer resale price of their books. The difference lies in the fact that the publishers as a group do not by coincidence or otherwise agree that certain bookstores may handle original publications and that others may handle only the reprints Imagine the public protest if five leading publishers designated certain department stores for first sale or run of books and other stores were relegated to sale of reprints —even if there were a long lapse between the two editions. Moreover, to carry the analogy farther, we must create a situation where a department store agrees with the five biggest publishers that no other book seller shall get the original editions of the book within a distance of 100 miles or so That is what happens in the movie industry by the action of the five companies, their theaters and their "chosen instruments" for exhibition

If a single movie company—owning no theater—or a single publisher—owning no bookstore—not in agreement with any competitor wanted to deal on exclusive territory and clearance terms he should be allowed to do so at his own hazard. This in essence is the theory of the Price Maintenance laws which were declared constitutional by a decision of the United States Supreme Court The evil comes from the concert of action

## INDEPENDENT CIRCUITS

The affiliated theaters owned by the five majors are not the only threats to free competition in the exhibition field. Large in-

dependent chains have used their extensive buying power to force preferential treatment from the big distributors at the expense of the small exhibitors, and to the exclusion of independent producers In many ways their monopolies are the more anti-social.

A few powerful independent chains have grown up, principally in areas where there are no affiliated interests Many of these circuits of theaters are located in one-theater towns, known to the industry as "closed towns" or "closed situations," because the theaters have no competition. In these towns the marketing situation is, to a certain extent, reversed, since the majors must sell to the single theater or derive no revenue at all from the town. A circuit which owns a number of such "closed situation" theaters is in a fine position to force preferential terms for all its theaters Just as the powerful distributors demand that the owner of a small chain buy for all his theaters if he wants to buy for any of them, so the large chains can require a distributor to sell desirable films to all his theaters on good terms or lose the market of the entire chain.

The circuit can also exact from the distributors almost as favorable treatment in clearance, run, rentals and choice of product as if it were a member of the affiliated family. As a result, the small independent exhibitor occupies the uncomfortable position of low man on the exhibition totem pole, and the product of independent producers carries a great burden. The large chains urge that it takes a giant to fight a giant, but our highest court, in the Crescent case, in condemning one such circuit which dominated Tennessee, answered this plea by saying in effect We will break you up now. We need not wait until the case against the majors comes before us. We will look over the giant distributors when their case comes to the court

The industry in general insists that the small exhibitor complains unjustly, since he is making more money than ever before. It is true that the present gusher of prosperity is also splashing the small theater owner But statistics covering a substantial

period before the war indicate that his complaints have some validity.

Between 1933 and 1941, Hays office figures show that the relative importance of small independent theaters declined sharply, while non-affiliated circuits increased proportionately. Independent theaters, which constituted 68 per cent of the total number of theaters in 1933, dropped to 56 per cent in 1941, while unaffiliated large circuits increased from 15 per cent of the total to 28 per cent. Thus, theaters tied up in chains or owned by the major producing companies represent about 45 per cent of all theaters and, of course, a much bigger proportion of all seats and all income.

Booking combines and circuits were originally formed by independent theaters for protection against the harsh tactics and exorbitant terms of the majors. The united buying strength of these theaters stood as a bulwark against domination from Hollywood But, as frequently happens, many of these combines formed for protection all too soon became aggressive, ruthless and monopolistic themselves They made use of most of the affiliated tactics they had recently deplored—to eliminate competition from small independent theaters—and they perfected a few additional practices themselves The device of "over-buying," for example, was frequently employed A circuit would license more films than it needed or could use for its theaters in order to prevent a competing theater from licensing them. The effectiveness of many of the unfair practices has become so widely known that a circuit can occasionally force a competitor to sell out to it by merely threatening to apply them

Three of the most powerful circuits—Griffith, Crescent and Schine—have recently been brought to court by anti-trust suits The record in these cases alone offers a handy compendium of predatory trade practices. The Crescent circuit, for example, would threaten to open another theater to discourage a potential competitor from opening a theater in a town where a Crescent house operated. If the mere threat proved inadequate, it would lease, buy or build another theater, operating it just long

enough to eliminate the competitor Where competition persisted, the circuit would fight it by such devices as compelling the majors to discriminate against the independent exhibitor in renting films, or lose the business of the entire circuit throughout the state.

Such powers and others were also used against the product of independent producers. A picture of Danny Kaye's was kept out of most of the State of Tennessee because it was not produced by one of the dominant Quintet Even Disney pictures are subjected to such eliminating tactics in some market places In any such deals between a chain and the majors it makes no difference to the public—deprived of competitive choice of pictures—whether the chain overwhelmed the majors for their product or whether the majors enjoyed being so seduced. *Vis gratia puellis*

The increased concentration of theater ownership resulting from these and other tactics naturally limits the public's choice of film fare In some of the many districts controlled by a circuit, the public has no access to any of the films the circuit rejects And, of course, every independent theater that is eliminated further diminishes the potential market for the product of independent producers and the choice of the public. The town with only one independent exhibitor may present an insoluble problem from the point of view of diversity, but to allow a chain owned by the majors or others to dominate a large area of many towns is to submit to economic dictatorship of the screen

If a circuit owns all the theaters in a town, or if the majors dominate the theaters of an area, to talk of building additional theaters is idle. Such edifices, no matter how attractive, are valueless if the owner is unable to procure pictures for display. Incidentally, hundreds of former servicemen have indicated a desire to get into the small-town or small-theater exhibitor business With the present bottleneck of the product, all such hopes are useless Exhibition of motion pictures is one of the few businesses denied to former servicemen.

INDEPENDENCE WITH STRINGS

Some of the wholly independent producing companies—like Republic, Monogram and P.R.C.—who do not rely on the majors for production facilities or distribution, generally have access only to the small non-affiliated theaters. Very occasionally one of them makes a picture that proves so successful in its first few showings that affiliated theaters or independent chains are willing to give it bookings.

However, the class "independent," as defined in Hollywood, includes producers with a wide range of dependence on the majors. It varies from the apron-string-clingers who are financed by a major and use the major's lot, equipment, talent and distribution facilities, to the relatively emancipated producer who arranges for his own financing, uses his own studios and personnel and relies on one of the major companies for his distribution. The ranks of more or less independent producers have swelled considerably lately. Strangely, one of the principal factors accounting for this urge toward independence is the increase in income taxes.

It has become more agreeable, and often more profitable, for a producer to form his own production unit. According to an article in *Fortune* for February, 1945:

> In making a picture of his own, he could in effect invest a lump sum in his corporation that would bring him handsome revenues in the form of film rentals spread out over a number of years. Or he could form a corporation to make a single picture, and after making the picture, sell his stock in the corporation for more than it cost him. The difference in many cases is taxable not as a personal income but as capital gain, on a flat 25 per cent basis.

The independent producer operating under capital-gains provisions of the tax law is able to take in as participants writers, actors and others who contribute to the wealth of the picture. The largest companies, with block-booking and other intricate bookkeeping structures, frown on giving the star, director, or

writer an interest in the value he creates. Hence, some of their high officials have urged the government to prevent the independents from engaging in their lawful method of competition, picture by picture on a capital-gains basis. The large companies are ill equipped to democratize their operations by true profit sharing.

Producers are not the only ones leaving the studio fold. Writers, actors and directors similarly affected by high tax rates are feeling that primitive emancipation inclination. Rather than lose their top box-office attractions, most of the major studios are allowing them to set up their own production units, often within the studio gates A few years ago only United Artists released independent products, but a schedule for 1945 announced in the trade papers indicated that every major company plans to release some outside product. The producers who have formed their own units include Gary Cooper, Bing Crosby, Fred McMurray and Leslie Fenton, Mickey Rooney, Preston Sturges and Howard Hughes, Hal Wallis, Buddy De Sylva, Sam Wood and Hunt Stromberg

It should be noted, however, that these "independent" producers are actually the same men who have been making pictures for the major companies for many years—they do not represent an influx of really new minds or points of view. Even their partial independence brings the public a greater diversity of ideas. But under the present setup, there is no assurance that this independence-with-strings will survive the period of war prosperity. If box-office receipts fall off and capital again becomes scarce, there will probably be a large-scale scurrying of such independents back to the security of complete domination by the large studios. Certainly the Big Five will make every effort to tighten the strings that tie these "independents" to them.

A score or more of independents in the full sense have founded their own organization—the Society of Independent Motion Picture Producers. They have enough in common to be of great aid in breaking down many of the monopolistic prac-

tices in the industry But it still takes bravery for an independent to fight one of the giants In some few instances of such fights the independents have won out.

### RAW FILM STOCK

It should be noted that three companies control the production of all our film stock. The division of this market is, roughly. Eastman, 70 per cent, Du Pont, 25 per cent, and Ansco, 5 per cent. The production of colored film stock is more tightly held. The Eastman-Technicolor tie-up is presently being investigated at long last by the Department of Justice.

These bottlenecks are serious from many angles but essentially must be reexamined because we can well assume that in such a tight market, based on patents, there is less than vigorous price competition The price of film stock is one factor which, it is claimed by some, creates the necessity of leasing rather than selling pictures to theaters for exhibition. The expense of making enough prints to go to all exhibitors at the same time is one of the bases for first runs, delayed showings, exclusive territory and many other practices unknown to other industries.

Some experts believe that after-war science will reduce the price of film stock to such a low figure that some producer will offer to sell prints outright to any and all exhibitors who want to buy Instead of making up anywhere from 100 to 500 or more prints of each picture, film stock may become so cheap that, like books, any retailer who wants to buy will be able to purchase or lease the picture for exhibition. Then, it is suggested, movies will be marketed like books in price series, timed one in relation to the other.

### THE FUTURE

The story of the motion picture industry would be difficult to film—it has no real villains or heroes No group in the industry is all good or all bad. The major companies, the independents, the chain exhibitors and the small exhibitors alike are naturally interested in making money Throughout the history of the in-

dustry, the heroic crusader of one period has, if successful, become the predatory monopolist of the next. Much of the criticism leveled against the dominant groups springs from simple envy. The only possible hero of the tale is the passive, off-screen figure of the public.

The independent exhibitor is being emphasized in this chapter not because of any virtue or selflessness in his character but because immediate proximity to the audience makes his group the most responsive to the public His policy is formed to suit not the average taste of a section, or a national market, but of his individual community The interests of the independent producer too parallel those of the public The producer who has no profitable theaters to cushion production losses and insure a minimum market for his product can succeed only by pleasing the public.

The present structure of the industry, however, permits the independent producer to reach any considerable part of the public only by sufferance of the five giant affiliated companies working substantially as a unit. The three satellites are generally assumed to be in the major league only because their access to affiliated theaters has been assured for a number of years. If, however, double features were discontinued and the Big Five were able to fill their screens with their own product, the status of the satellite companies would become precarious

The handful of men controlling the fully integrated companies, then, have the power to regulate the type, amount, content, and character of the films that reach the public. There is no reason to impugn the ability or good faith of these men. The evil lies in the fact that there are so few of them and that the only thoughts, ideas and opinions to reach 100,000,000 persons a week via the screen are those acceptable to this handful of men. The entire film fare of the nation is grown within the narrow limits circumscribed by these few minds Since most of the executives who determine the policies of the major companies have held office for many years, the taboos they impose today coincide largely with those they imposed years ago.

It is important to note that the men dominating the major companies are, for the most part, trained in theater operation, real estate and finance rather than in film production. The huge and complex organizations they run are engaged in picture making primarily to supply the essential raw material for the profitable operation of their theaters. Film production, which represents a smaller investment and potential return than theaters, is naturally less important to the major company chiefs.

If film making were an end in itself, the interests of these companies might well coincide with those of the public. Since their profits would vary with the degree of pleasure their product gave the consumer, their sole objective would be the production of good films. But under the present intricate set-up, more attention is necessarily given to the running of profitable theaters, the involved financial negotiations attendant on buying, constructing and maintaining these theaters, and the administration of real estate companies, music publishing houses, booking agencies and numerous other subsidiaries, of which some companies have more than 100. The delicate juggling of all the interests may, and occasionally does, involve a partial sacrifice by each to attain maximum returns from the combination of them all.

The imposing size of these giant companies affects the consumer interest in many ways. Since the majors service a market embracing not only the whole of North America, but every other continent as well, their product must have so broad and universal an appeal that often, while a picture is suitable for *average* of all nations, classes and cultural levels, it is not truly satisfactory to any single group.

The majors are conscious of this difficulty, but their huge overhead makes it impossible for them to produce for a more limited market Industry spokesmen often excuse the lack of maturity and subtlety in the general run of films on the ground that they must appeal to the average man, whose intelligence one tactless executive described as that of a twelve-year-old child. It is quite true that the large companies could not recoup their

present huge negative costs from pictures appealing only to educated audiences. But independent producers can and generally do watch expenses far more closely. Many independent producers and small producing companies are merely hoping to succeed well enough to be absorbed into the major leagues Others plan to develop new fields.

A set-up under which many producers could compete freely is possible if the major companies divest themselves of their theater holdings and a dissolution of all chains be ordered. This step alone would go a long way toward placing the Big Five on an equal footing with other producing companies. The principal reason for their cooperation would disappear, since they would no longer be each other's best customers or sources of supply. Once they no longer received preferential treatment from each other's theaters, they would lose a large part of their competitive advantage over other producers.

It is possible that most exhibitors, given the choice of the product of a hundred companies, would refuse to book films in blocks. But it probably would be preferable to abolish block-booking by legislation so that its fragments do not remain to plague the marginal exhibitor and the independent producer.

If the Big Five had no assured market for inferior films, and no chance to foist them on exhibitors in blocks sweetened with desirable pictures, the "program" film now made to fill the lower half of double bills would probably disappear from major production schedules Since double bills originated largely because exhibitors were unable to get sufficiently strong single attractions, they might be abolished if exhibitors had a hundred sources of supply instead of five for the bulk of their product.

If a hundred producers had equal access to the market today, the product of a few of them might lead the field before long. It is possible that the output of the Big Five would predominate. If it did, it would be by merit rather than by stranglehold. Companies whose product failed to please the public would disappear, but others would spring up, and the successful producers would be kept on their toes by the competition.

Production budgets would probably drop, since the companies would no longer have theater profits to counterbalance film production losses. This, incidentally, is one of the principal arguments advanced by industry spokesmen against divorcement. But numerous costly flops and profitable "sleepers" have demonstrated that money does not necessarily make the movie. Lower budgets would make it possible to produce more films designed for specific audience levels in the place of the prevalent conglomerations containing a little of every man's meat and, inevitably, some of every man's poison.

It is not to be supposed that the simple divorcement of production from exhibition would cure all the ills afflicting the film public and the various branches of the industry. Divorcement plus dissolution would be, however, a step in the direction of putting film production on a basis of free competition, provided that all the large independent exhibitor chains were also broken up.

The persistent attempts of leaders of the industry since its inception to monopolize the market have been the subject matter of innumerable anti-trust suits. But the judicial arm of the government is not equipped to cope with the problem except piecemeal and after years of delay. The right of the audience to have a full and free choice of pictures is a matter calling for legislative action Congress has threatened to act on many occasions It must act soon or the Quintet of Rulers of the American Screen will create international situations—delicate and embarrassing To totalitarian people there is little difference between one political dictator and five cooperating economic dictators.

Three post-war forces will, in my opinion, call for revolutions in the business. They will require a type of leadership not visible on the horizon of the major companies

1. Few of our costly pictures can bail themselves out financially in our home market We will take out of foreign markets even this year a sum in the neighborhood of $100,000,000.

If that foreign market falls off, a shift will be compelled in our production costs and other practices.

The nations of the world—particularly those tending toward totalitarian ways of life—are already preparing to build up their own movie industries which, aside from that of England, are still negligible in quantity or quality. Nevertheless, it seems sure that all of Europe and South America will put quotas or embargoes on our pictures in order to favor their own product. The loss to us of this income will cause a reduction of our production costs, compel our American companies to open up production subsidiaries in foreign lands, or inspire evil international cartels.

2 The pressure of foreign countries will in time break down the virtual embargo in our market against foreign pictures, which will quickly improve in quality. No longer will our five giants be able to rely solely on power. They will be forced to allow foreign product into our theaters in exchange for showing our pictures abroad. This in turn will reduce the consumption by our audiences of our home-made product. Foreign pictures will get some of the gate receipts.

One major company executive, Arthur Loew, has recognized this problem and is dealing with it intelligently and progressively He has recently begun a program of distributing extensively in the United States new Swiss, French, Mexican and other foreign films He is also having 16 millimeter prints of all M-G-M films made for distribution to churches and educational institutions abroad. Of course the whole 16 millimeter field presents vast educational possibilities that have barely begun to be tapped.

3. The monopoly thinking of the five giants will be seriously jarred in any period of unemployment. The rise in the price of theater admissions in recent years shows that of the increased prices paid for tickets, about 1½ cents went back to the producer of the picture. This multiplied by the total number of admissions equals approximately the net profits of the giant companies A fall in the number of admissions or in the ad-

mission prices will cause great financial distress to the larger companies, since costs of operation will not be subject to comparable reductions

Maybe these forces, plus Congressional action to break up the monopoly, will give the American audience greater choice of pictures, domestic and foreign We can support in a nation our size several hundred independent separate production units competing for public favor in a democratic market free of artificial restraints.

CHAPTER VII

# WE CAN TURN THE TIDE

IN THE LIGHT of this record, we cannot sit with conceited comfort in the belief that traveling a middle road between dictatorship and laissez faire we have inevitably found our enduring solution. No one can believe that we are in a position of norm, or that any society can ever be in a position of norm, for that would be a synonym of static. Moreover, in a world of dictatorship of the mind we will not be unaffected by restrictions on world trade in thought

The proof of the concentration is clear Although the causes are economic, the dangers are essentially spiritual, and, hence, go to the essence of our greatest contribution to the history of mankind. Unless we move in, and move bravely and quickly, the tide will run against us at an increasing rate. The public finally will wake up to its mental starvation The few remaining smaller groups will be driven out of business and no new ones will be able to arise except in rare freak situations.

We will not stand still. Either we go toward dictatorship of the mind or we enter the crusade magnificent for freedom from economic restraints on the minds and habits of our people.

The best hope would lie in the vision of the leaders of radio, movie and press. In each industry a handful of persons have told me that I was on the right track, hoping that the professional concern of the leaders of opinion will eventually come to grips with the problem But there are no such leaders with sufficient following to be effective.

Many recent reports indicate that innumerable small independent operators in the three fields will soon become ready to demand a Congressional investigation Many Senators tell me this is the fundamental inquiry of our democracy. But any legislator coming up for re-election is normally a little timid about

challenging the owners of radio, movies and press, even though the people have often voted down, so to speak, a practically unanimous press. It does not damage my plea for greater diversity to be told that the press is so impotent that a cynical public disregards its attitudes and rejects its guidance. I still believe that the press, radio and movies are great educational forces in our society, and that the present public cynicism toward these media depreciates our appreciation of freedom of expression.

I am convinced that we must and can turn the tide My guess is that the industrial revolution has run only half the course of its impact on the press Twenty-six hundred papers in 1910, 1,800 in 1940, possibly under 1,000 in 1960, 600 towns with more than one paper in 1910, only 200 such towns today Maybe only 50 in 1960. Radio pipelines are scant in number but we can save the air through democratic treatment of F M and television. Independent movie production is an essential for domestic and foreign relations.

I urge a joint Senate-House inquiry to save the small daily, weekly, magazine, radio station, and movie company producer or exhibitor. The investigation should be non-political, promulgated by two Democrats and two Republicans The directive should be to gather the facts and take testimony as to remedies. The resolution calling for the inquiry should carry the clearest mandate against any question or examination or solution in any way related to censorship of content

I am sure such an inquiry would accomplish much In the first place, the press and radio could scarcely refrain from commenting on the hearings and proposals In the second place, public awareness of the problem would result in public debate And finally, many separate pieces of legislation would be put on the statute books in our necessary crusade to preserve diversity of opinion—in fact as well as in theory.

### A FEW MOVES TOWARD FREEDOM

Most persons who have tried to minimize the thesis of this book have admitted the evil trend but have taken a position

of resignation Adopting the mood of the fatalists, they say, "Nothing can be done about it. You can't sweep back the tides."

It was such arguments of inevitability that led me at first to ask, "Are we willing to admit the ineluctable further concentration of such business? In that event, don't we agree that the government will eventually take over? Don't we already see a group of Marxist liberals urging a T.V A of the air, a T V A. of the movies and a government yardstick news service?"

Such questioning led me to explore techniques to aid new competition and new devices for reopening these markets. I am persuaded that the solutions are readily available A Congress truly independent of the few people who control public opinion could with ease reverse the tide, increase diversity and without doubt augment the audiences for all three media Thousands of independent movie, radio and newspaper companies are looking for a legislative leader to save them from surrender to the giants.

I shall enumerate a number of approaches to the problem. A separate volume could be written to cover all the different measures which, added together, could keep us free Some of the proposals need factual implementation of data not available to the general citizen We cannot expect the press or radio to discuss and explain the evils and the remedies However, a Congressional Committee could, with a small staff, get all the information in a few months The Smaller War Plants Corporation has a stake in the problem, the Federal Communications Commission has access to much information not generally public, the War Production Board, Department of Commerce, Post Office, Treasury and other government agencies can supply facts to round out the picture The top worried leaders of the three industries can be forced to submit further proof of the thesis out of their own files

In the main my proposals follow old-fashioned approved techniques—right down the middle of our traditional legislative paths Of course, each field requires special adaptations and

unique treatments. The list that follows is by no means to be considered a complete immediate panacea for the restoration of competition of thought in our land. In fact, it is far less than all the proposals that have come to my attention. I offer it only as a starting point of discussion for those having a concern for our American theory of freedom for the press, radio and movie.

During the past half century we have been slowly learning the difference between innocuous wealth and evil capital. A personal fortune invested in New York City real estate has no appreciable impact on rents A similar sum controlling technicolor can enslave the market of pictures in color and delay the development of the science of color photography.

In our attack on the kind of wealth which corrupts or prevents free enterprise, we early decided that corporations could be organized only for limited stated amounts of capital. Banks were set up with capital ceilings established by legislatures. Insurance companies likewise were limited in size. About forty years ago Charles Evans Hughes—later to be Governor of New York and Chief Justice of the Supreme Court—proposed a final limit of about $250,000,000 on life insurance companies. But the economic giants won out in the legislative battle. The lid was off and one insurance company today has more than $5,000,000,000 of assets and collects more in premiums every year than the total of the budgets of twenty states.

Another evil, besides mere size, has long disturbed free enterprise Vertical controls were organized. Railroads tried to tie up all other transportation facilities and dominate in certain areas the industries which supplied most of their freight. So we decided that coal companies might not control coal-carrying railroads or vice versa. Railroads should not be allowed to own steamship lines. Banks were divorced from their security affiliates. In such types of legislation we were concerned with enlarging areas of competition, and preventing the use of industrially interlocked power as a substitute for imagination and competition.

Based on our past approach to reduce the evils of laissez faire nine rather simple but fundamental approaches—which affect all three media, subject to practical variations—might be considered as holding out great hope of a free market in communication of ideas

1. We had come to the conclusion that interlocking of certain businesses did not result in public good The railroads in Pennsylvania had used the coal mines not for the benefit of the coal-consuming public but for the enrichment of the railroads. Ingenuity was not applied to mining coal. Hence, oil ran away with the market There was no need for conceiving the automatic stoker, by-products went to waste, prices kept climbing. The railroad coal companies sat back on their monopolistic haunches There was no longer a market place of coal for price criticism The companies and the railroads suffered from the dead hand of monopoly

A divorce was ordered Such measures are in keeping with *free* enterprise as distinguished from enterprise. Similarly, and for even better cause, ownership of radio and press should be divorced one from the other. A special committee of Congress has suggested the examination of this problem by Congress. Let papers buy time on the air and radio buy space in the press—but no joint ownership! Certainly, in areas where there is a limited access to the market—that is, control of both air and press in one person's hands—a large piece of democracy has been abandoned.

Movie companies should be forced to sell all their theaters, and theater chains should keep out of the movie production business Let each picture compete on its own merits without the economic advantage of any tie-in with brick and mortar for preferential treatment

Movie companies should be divorced from radio and television. If no movie company were permitted to own broadcasting facilities, then all movie producers would compete in the market of the air for the sale of their pictures. If the five giant movie companies are allowed to own radio and television, then

smaller entities should be given preferences on their applications.

Radio licensees should leave to others the business of owning or handling the sale of copyrighted music. B.M.I. must be promptly dissolved for the sake of the creative music talent of America.

No network should be allowed to own a station. This would encourage the development of many more networks, offering more programs to all stations.

Newspaper publishing should be divorced from control of forest, pulp or paper manufacture. It is enough for a publisher, broadcaster or producer to tend to his own knitting. These occupations can well consume the full energies of any executive or director. The savings, if any, through owning collateral interests, are more than outweighed by the disastrous effects on free enterprise. The deadening impact of such affiliations in the market, whether it involves owning music, making receiving sets, owning theaters or forests, threatens freedom of enterprise.

These three great professions would inspire far greater consumption power and confidence from the public if we forced them to end their vertical controls.

2. But divorce alone is not enough. Concealed companionate marriage must be prevented. Surely the movie company selling its theaters should not be allowed to turn them over to the president's nephews. Such circumvention we have guarded against with high success in many fields. We have often prevented interlocking directorates or ownership of controlling shares of stock. With wisdom, and surprising approval even from those most directly affected, we provided, for example, that there shall be no interlocking of directors between savings bank boards and stock exchange firms, except under special circumstances and by special permission. We should follow this same pattern in the press, radio and movie businesses. There is no need for R.C.A., manufacturer of radio receiving sets, to be the owner of N.B.C., to hold a stock interest therein, or to exercise power through

identical directors. This is in line with the recent Pullman Car decision of the Supreme Court

3 Many states, in order to preserve indigenous retail interests, have imposed chain-store taxes. Local men and women owning and running drug or grocery stores add mightily to a community—far beyond the contributions of migrant temporary chain-store managers. Even though the consumer temporarily may pay more, even though many such small firms fail, we should prefer the encouragement of local zeals to the development of a race of robots. Similar limitations on the sweep of power of giants have been evident in our banking legislation, where chain and branch banking in many states and Federally has been limited or totally condemned. As a member of the New York State Banking Board for more than a decade I was constantly impressed by the wisdom of our limitations on branch banking business. The big metropolitan banks would sap the money and ingenuity of up-state cities, if allowed to open branches The spiritual and economic vitality of communities requires the development of banking skills in each separate locality. This, even though it may perchance be cheaper to carry on banking operations conducted by clerks sent out from the two or three main cities of the nation. Our utility legislation has adopted the same philosophy. We saw no validity for a company in Indiana owning an electric light company a thousand miles away.

But why should any one concern own half of all the newspapers of a state? Why permit multiple ownership of radio stations? Why should we allow far distant absentee ownership of radio stations or newspapers—instruments affected with important local public interests? Why should we sit idly by while one company owns all the dominant theaters of a district, city or state? Even if there be some economies through chain operations, we might forego these questionable and temporary savings in dollars in return for a better market place where ingenuity once more will be encouraged Increased competition is the only permanent leveler of costs, which are never securely re-

duced to the consumer in a market place of less than free and full competition As things stand today, the independent operator, no matter how much better service he renders, cannot compete against a branch-chain economy—an economy inviting loss-leaders, forcing localities by temporary bait to drive out competition, and scaring new enterprises from arising again Moreover, chains in theaters, papers and radio stations obviously do not provide lower prices to the consumers They should be broken up. Dissolutions are called for. Absentee ownerships must be condemned.

4 I have just referred to techniques for reestablishing free enterprise by divorce and dissolutions Another basic weapon must be used to keep us from totalitarian ways. Power in the market through mere size has ever been a national evil. A few years ago Congress passed legislation—the Robinson-Patman Act—whereby large and small buyers were put on a partial parity—the large order getting an advantage not because of size but only to the extent of the true savings which flow from size. If a big department store buys a thousand copies of a book it must pay exactly the same price as paid by the crossroads bookstore buying only one or two copies—less only savings in commissions and other proved genuine differentials. Moreover, the resale price to the public by both the large and small buyer must be the same. Such legislation has helped keep our few remaining bookstores in business Ditto for merchants in other industries

This Robinson-Patman and Tydings price maintenance type of approach would bring great relief in the idea businesses. For example, as we have seen—giant advertisers buying a dozen pages, pay far less than the smaller concern which buys only a half page National advertisers pay more than local concerns If the only difference in price were the true economic difference in the setting of type, selling expense, etc , the price to the giants would either go up—which is not so likely—or the price to the smaller purchasers of advertising would decline to meet the required median. In either event, diversity would benefit. I am

confident that such equality of advertising rates would eventually result in newspapers being supported more largely by the readers themselves.

One of the hopeful signs of freedom of the press during the war is seen in the rise in cost of newspapers to the consumer. Such rise has not resulted in lessened circulation To the extent that the reader pays one fourth of his cost when he buys the paper and three fourths when he buys advertised commodities, the market is in peril This peril is more evident each year. A man with several thousand dollars and an idea which he wants to sell to the public is usually a fool to try it out today, for if he can get only one fourth or one half of his cost back from people who like his ideas, he must go to advertisers for the balance.

I do not here contend that advertisers control content directly. I am not here concerned with content. Rather do I suggest that to the extent that readers pay for their papers direct there is a freer and more direct competition in the *ideas* of the press Today the press has two types of customers—often with conflicting interests. I assume that all publishers would admit that the readers are the more important group. But the essential economic dilemma exists because the less important customer brings in most of the income. At present, without the support of a dozen or so large-size advertising agencies—controlling tens of millions of dollars of national advertising, and a handful of large local advertisers—there is little use starting a paper. It is no answer that a solitary remaining inheritor of millions of dollars can conceivably start a daily even in a metropolitan center where a single press costs as much as $1,000,000.

The effect of similar competitive purchasing power on radio will be evident when one notes that a negligible number of concerns can afford to reach the public at the peak listening hours. Are we content when we find that of 293 network advertisers 144 corporations contributed 97 per cent of the income of the networks? Standard public rate cards—practiced in some large and small stations—should be the uniform compulsory prac-

tice. There should be no differentials on bulk times sales *for the same listening hours* on the air, other than those traceable to actual economic savings through quantity sales.

In the movie industry the problem is far more complicated because our present judgments must be made against a merchandising pattern under which the five big companies actually control practically the entire market, and to a substantial extent, the product of independent producers and the three satellites who enter the markets only by grace of the giants. Moreover, large chain exhibition circuits not owned by the majors have in many ways even a more stringent stranglehold. The picture business peculiarly should be a business of purchase picture by picture—on the merit of each picture—guessed at when finished or ready for showing This sound principle is defeated at the outset by block-booking, long-term franchises and other compulsive deals which give undue weight to quantity in violation of the Robinson-Patman Act principles.

The existing statute does not cover "leasing" which, rather than outright sales, is the present practice in the movie industry. However, an amendment could easily cover the movies even though rentals are of necessity based on prices of admission, length of runs, length of clearances, seating capacity of theaters, etc. The present wholesale power of the giants places undue burdens on the product of independent producers and independent theater owners. Under any circumstance, each producer should be allowed at his own peril to fix clearance, run and price by agreement with his exhibitors Since such terms are fixed at present by accords, collusion or cross-agreements, the doors to the market swing closed.

5. Taxes have been one of our historic implements for social adjustments We reduce production of whisky, playing cards and other articles by high taxes. No tax law can be written without social, as well as revenue, effects. We encourage production of surgical instruments, foods, etc., by exemption from many taxes In order to reenergize the market of ideas—our most precious market—I urge that all operators in any of these fields

be given exemption from all income tax on the first $20,000 or $25,000 of profit in any year. I hold no brief for this exact figure. I contend only for incentive taxation. It could be increased beyond such sums if tied into the amount of capital employed Hundreds of small magazines, weeklies, newspapers, radio stations, movie theaters, even movie producers of shorts and documentaries would be encouraged to hang on or to start in business.

Small companies would have a hope of building up capital to compete with large groups. Hundreds of vital people could then borrow initial capital to compete in these "power controlled" market places The national budget would not suffer, since ultimately more wealth would be created. I should imagine that if we put through the other measures I propose, there would be little need for invoking such tax relief. But even then, such minimal tax benefits should not shock the mammoth enterprises which brag about their economies through large-scale operations and which can, having overpowered the market, spend fortunes for further enlargement with little cost to themselves

6 The last figures I saw indicated that we spent $3,000,000,000 in advertising in 1944. This sum was deducted on tax returns to the extent of 67 per cent on the average With these thirty-three-cent dollars—the balance is contributed by the government—giants are permitted to use advertising to further disadvantage present competitors or newcomers of lesser size In the newspaper field, even during the war—a period of unusual prosperity and increased advertising revenues generally—the small papers—which are the overwhelming number of the total—at times showed an actual shrinkage in advertising income over the pre-war period A Congressional inquiry into this one subject would do more for new and small papers and magazines than any possible subsidy such as Senator Bankhead proposed in his bill for direct government purchase of advertising space in small papers However, I am in sympathy with Senator Bankhead's objective, for he sensed the danger of the evaporation of the press of the nation. I am opposed, however, to direct dollar sub-

sidies in government advertising for fear of the government's power over ideas.

Of course, our entire war rationing program vis-à-vis advertising was devised by and for the giants and did much to put the big papers, magazines and movie companies in a position more preferential than ever before. If rationing is to continue, we should reexamine the British plan—which was aimed to keep small papers alive, not merely to conserve giant corporations.

I would suggest explorations to determine the degree of deductibility of good will, institutional and all other advertising in relation to sales, volume of business, etc. I am not talking about limiting the amount of advertising, but only about the effect of compulsory capitalizing of it in the disparate operations of these three media. The movies, of course, are touched by this primarily in the exhibition end of the business

As a corollary Congress might well reduce the discrimination against small business by permitting as deductible expense items for tax purposes, rather than as compulsory capital items, certain kinds of limited promotion costs.

7 Block-booking of movies has been condemned by a recent court consent decree. Each picture should stand on its own sprocket holes or we, by our laxity, permit the producer of many pictures to force them on the market by a competition less than fair to the separately produced pictures of independent producers. Block-booking of newsreels, shorts and features is a shocking insult to the minds of the people

Likewise, block-booking of news and advertising is one of the frightening practices which have grown up in aid of monopolization of our small weekly papers Most persons are reluctant to believe that thousands of papers buy advertising and boiler plate news and features in one bundle, with the prices weighted to induce the buyer to purchase his news from a central joint boiler plate-advertising source.

Even in the radio a practice of "bundles" is developing If each broadcaster built up his own programs, and assumed the stature of an editor, bundle sales of "music, comment, press

services and gags" in one package would not be objectionable. But with the abdication of the main radio station owners to advertisers for the development of programs, the package business has serious implications Bundle sales of sustaining and sponsored programs should be outlawed

8. Much of the material used by radio, movies and press is copyrighted A copyright is in itself a tight monopoly. The question of whether this copyright monopoly should be protected by the government when it encourages the bottlenecking of news was raised by Judge Brandeis thirty years ago in an Associated Press case I would suggest that we must soon provide that all news and other analogous material when placed in the market for sale may not rely on the copyright monopoly protection unless the material be offered for sale to *all* buyers at reasonable prices and at a fair profit to the dispenser. Then, and then only, should we prohibit its theft or protect its exclusive monopoly. We have already determined that patents on glass and other commodities must be made available to all buyers on reasonable licensing terms In the glass business the courts found an inadequate market Certainly an equally high standard of open marketing is applicable to "thought" as is now applied to beer bottles or window panes. The vice of A P lies in restricting the market To a lesser degree the other news services are also culpable.

In the radio field I would suggest that all networks be licensed directly by the F C.C. and that all their programs be made available to any station at a fair price and a reasonable profit In this field, with only four national networks, bottlenecking is peculiarly serious. It should be of some interest to our people to realize that the world series baseball reports could *not* be heard in many parts of the United States because of network bottleneck controls created by exclusive contracts with separate selected stations. Copyrights and patents dealing with national defense, or the Bill of Rights should be valid only if marketed at a fair price and a reasonable profit to all who desire them.

9. We have long followed a sound policy of subsidizing the printed word. For my part, the subsidy should be greatly increased. Not only do we ship Braille books for the blind by mail for nothing, not only do we give reduced rates within limited areas to newspapers, but we carried second class mail at a loss of $86,000,000 to the taxpayers in 1942 The Post Office received $25,000,000 and it cost $111,000,000 to deliver this mail. Some years ago I persuaded President Roosevelt to abolish the discrimination against books then existing. Ideas in book form paid up to ten times the postage rates assessed magazines or newspapers for the same distances and the same number of words This, even though books carry no advertising. Or maybe the discrimination against books even today is because they carry no advertising.

We, a brilliant manufacturing people, had been far behind Europe and Britain in low-cost books. The President by proclamation reduced book postage to 1½ cents a pound. It had cost 26 cents to send a book from New York to California. A magazine of similar content, with 5 per cent of advertising, went there for 3 cents. Congress later increased the book rates to 4 cents a pound But even at 4 cents—twice as high as some magazines—books can now enter the market by mail in competition with magazines, and rental libraries have been greatly benefited. This one small device alone helped make possible the creation and development of the cheap book business in this nation. Unfortunately, there is great pressure for increasing book postage rates, again giving a preference to magazines and newspapers. I would suggest that our present subsidies might be doubled or trebled for all printed material but, in any event, they should be fixed on a sliding scale. The purpose of the subsidy is not only to get greater quantities of a few magazines to the people but to encourage diversity of publication Moreover, why should a magazine, with vast circulation, get a taxpayers' check of hundreds of thousands of dollars every year, by having postal facilities provided at far less than cost? On a graded scale basis the first 10,000 copies could go for ⅛ cent a pound, the

next 10,000 at ¼ cent, the next 30,000 at ½ cent, the next 50,000 at 1 cent—with upgradings until, for example, the publisher with more than 200,000 circulation would pay his way on all copies over 200,000.

I do not here suggest that the magazine with 200,000 or more circulation should pay a profit to the Post Office to help carry the other papers, even though that idea has real merit in a democracy But the giants always claim great economies in their operations Might it not be wise to say, "Well, after 200,000 copies you can at least afford to pay what it costs the taxpayers to carry your paper." Incidentally, these giants invariably—save only one paper, as far as I know—the *Daily News* of New York—shout against government in business, but favor large government gifts to themselves.

A sliding scale subsidy would help the Post Office balance its budget and it is my considered judgment that this one measure alone could keep alive or encourage the formation of hundreds, if not thousands, of papers and magazines Even a few dollars a week are important to the small-town gazette.

The problem of telephone rates requires similar adjustment. Telephone tie-in rates to connect with networks are one of the great burdens of small radio stations I should think that the Robinson-Patman theory could be applied here. I suggest that we might, in this particular field, go farther and grade all wire charges down on the basis of lower rates, when employed in the public education and entertainment sectors of life. This will help small stations to survive. It will aid in getting an informed nation. It will mean that more local stations can buy network programs It should reduce the cost of network programs to advertisers but increase the profits to networks.

Without a shift in our present favors to big business, audiences in sparsely populated areas, with few large stations, find themselves unable to hook in on national and, what is more important, international programs Our theory of decreasing surtaxes on lower incomes is not without analogous validity

If movies are to be carried by air mail similar graded sub-

sidies should be applied to benefit small theaters throughout the nation, rather than have us continue to dish out vast subsidies directly to the air line companies, as at present.

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The foregoing suggestions stem from analogies applied by our economy in other industries. The following suggestions are equally derived from past practices, but do not necessarily contain similar applications to all three industries.

Although radio is not a public utility, it has many of the ingredients of a "public service" Licenses are granted by the government. Air waves are assigned and controlled so that there be no collisions. The number of air channels is limited—more limited than land for rails or the heavens for airplane passage. We have properly avoided controls which would give any power to the government to censor programs. Nevertheless, unavoidably as long as there are fewer air lanes than applications, on renewal of licenses the Commission has a duty to examine programming to see if a station has rendered "public service" Under such circumstances it is not unreasonable to take into account several very important factors which seriously limit diversity.

(a) As long as some stations or networks make 100 per cent or more net profit—of course, before taxes—on investment, it means that prices for time on the air are extremely high This results in limiting the number of corporations or associations which can afford to buy any decent time Why not consider a limit on profits—not as low as that presently placed on such utilities as light, gas, water and telephone? Because of the hazards of broadcasting, some higher limit of profits should be fixed by law. Even a ceiling of 100 per cent return on investment—before taxes—would open the microphones to thousands of business and educational organizations as bidders for the few hours available on each station. Such limit would leave ample profit motive and at the same time permit innumerable potential advertisers to share in radio's vast audience. It might even make the air available for educational and eleemosynary organizations by

purchase—not, as now, by grace of the licensee. At present the vast radio audience belongs exclusively to a few giant corporations.

(b) The president of one network testified "we are selling time for one specific reason, and that is to sell goods manufactured by American manufacturers to the public" Despite such frankness, and in return for these valuable franchises to broadcast, is it unreasonable to suggest that every station must give over at least one or two hours a day to forums, discussions and debates? I mean good time—not at hours when people are unlikely to listen All this public service time should be at the same hours each day for all stations, so as to create competition between all the forums, discussions, etc., and prevent a forum from competing with the presently more popular entertainment. Under such circumstances no forum would be salable to the highest bidding advertiser, as at present.

(c) Soon we should insist that each station owner run his own station, rather than turn it over to advertising agencies to create the programs Thus, we would invite the licensee's own ingenuity to create diversity rather than rely on variations between advertisers. Then we might find competition for diversity among station owners—because, having created his programs, an owner would merely sell commercial blurb time at various spots in his programs. I believe that the vitality and daring of competing licensees would not only represent greater variety than we find among commodity sellers but, in addition, there will be more desire to establish the personality of each station. Under such a system advertising space could be sold more or less as in papers and magazines, price to depend on location of "commercial" in relation to listening audience. Thus, advertising rates would be fixed on the basis of circulation or audience attendance

(d) New wave lengths, power and other advantageous facilities should be avowedly granted, where possible, to stations outside of New York and other large centers. We must realize that the United States suffers from the physical bottleneck

known as Manhattan, where all talent must come to interview the handful of those who hold control of the market. A rich culture must grow indigenously in many parts of a nation our size.

(e) I would relieve stations of libel or slander suits on time they presently sell. The station owns the microphones and should be analogized to the owner of a printing press who, as a practical matter, is free of libel suits. Such immunity to stations would relieve them of real or imaginary hazards which they often use as an excuse to reject controversial or unpopular subjects or remarks.

(f) Clear channels are conscious grants to a score of large stations to cover undue areas. I trust by the time this book is published such domination of air regions will have been broken down by the Federal Communications Commission.

(g) Television, F.M., stratovision and other new uses of the air are already in the offing. They may shift many of our problems. At present it seems as if all the trends toward monopolization seen in ordinary broadcasting will be duplicated, if not increased, in these further developments of the air. Facsimile alone holds great dangers. A newspaper printed in one city might be at every breakfast table of America the same morning. Such stereotyping of the mind cannot be worth the cheaper price claimed for it. It would be costly even if the paper were given away free—unless there were many more owners of facsimile licenses and instruments than the present line-up of patents and other controls would indicate.

(h) A complete investigation of patents is necessary. If radio is a public "trust," then patents, the strongest weapon of an economic trust, must be affected with a public interest. Without discouraging invention, we must prevent the domination of the radio by control of monopoly patents handed out in the first instance by the government itself.

(i) All income-tax returns and facts of ownership of stations should be available to the public. The public needs that additional information to determine future policy with respect

to issuance of licenses, and so on The industry as yet does not favor this minimum amount of disclosure. Legislation is needed to extend this area of public knowledge.

(j) All proposals for broadcasting of programs paid for by listeners directly, rather than through advertising, should be encouraged The pig-squeal contraption, as explained in the radio section, permits a broadcaster to offer programs at an estimated cost of 5 cents a day to each consumer We should—as an audience—have a right to determine if enough persons want to pay for their radio programs direct rather than through their purchase of advertised goods Many present owners of licenses have protested against such experiments. Maybe they fear the competition which would result from the enlargement of the market place by such new technique! Moreover, the present owners of this novel device should not be allowed by patent monopoly to withhold this service from the market.

(k) The independence of the creative talent of the air should be preserved. For example, the larger units have quite autocratically, because there are so few networks, insisted on "employer" relationships with independent commentators Whereas magazines buy material from these same persons, with great independence for their pens, some networks still refuse to adopt the relationship of independent contractor rather than one of dominated employee.

(l) Fuller disclosure would help to get a critical informed public. Sources of news reports, sources of financing of various programs should be made public In fact, each station should keep a public log of all requests for time and reasons for refusal. This in itself, even though seldom examined, would have a beneficial effect on those station owners who falsely claim to pursue objectivity and a balanced diet on the air.

(m) We should look at the frozen towns—of which there are an increasing number—where the only newspaper also owns a radio station in the district. In some such cases there is a competing radio station still independently owned The newspaper refuses to run either free or for pay the program an-

nouncements of the other station This is the attitude toward freedom of the press that forces the hands of the dictator boys among us and is not frowned on by publisher associations. Such behavior is surely far less than an attitude of trusteeship of the press for the people of the land. The government should take such restriction of the radio market, by refusal to run advertisements, into consideration the next time an application of any such newspaper-owned radio station comes up for renewal.

(n) The price at which radio stations are selling severely limits the possible number of purchasers Stations with assets of $50,000 sell for upward of $250,000. Stations worth, in tangible assets, $250,000 sell for more than $1,000,000 There is only one conclusion to be drawn—the difference between assets and sale price is being paid for the transfer of the naked license from the government. It is as if a newspeddler selling papers under a permit from a city were allowed upon retirement to sell the permit Moreover, at present the seller picks the new licensee subject only to the veto power—seldom exercised—by the F.C.C, which until recently had no market of competitive applicants to choose from I applaud the F.C.C's first move that a seller should notify the F C C of his desire to sell and the price he desires to get The F C C will advertise, to induce many applicants to put in bids, and will then select the buyer on the basis of prospective service for the particular area. We probably shall find that a top figure would have to be set by the F.C.C in each case on a formula of *x* times past earnings or *y* times assets.

(o) Since there already is pressure to have advertiser-sponsorship of newspaper features and columns, some urge that we examine the validity of radio licensees selling news-commentator programs for commercial use.

(p) The National Association of Broadcasters radio code outlawed the sale of time for controversial subjects, and in other ways expressed *horizontal* accord to ban certain types of programs Only recently the F.C.C slapped down code provisions, such as those which discriminated against trade unions Object-

ing at this point solely to the agreement of the code in restraint of trade in ideas, I suggest that the radio code—like the Hays code—needs a thorough airing

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Newspapers, because of the absence of engineering limitations on the making of type or presses, present rather different problems and require different solutions

(a) Newsprint prices, as well as advertising, as previously discussed, should be subjected to Robinson-Patman scrutiny. Such inquiry will soon get into the field of papers owning their own forests and paper supply. I believe that if the disparity in paper costs and supply is what recent inquiries indicate, we might have to adopt the old-fashioned divorce theory to prevent ownership of paper supply by papers. If editors are to sell ideas, rather than get down to the question of who owns the forests, the separation of pulp business from publishing is in order In any event, the deplorable condition of small papers with respect to newsprint supply is not to be overlooked.

(b) Full disclosure of all facts relating to ownership of all bulk printed material should be enforced. Newspapers and magazines now must state periodically the names, amounts, etc., of stock and bond owners. This is mandatory in order to qualify for cheap, second-class postage rates. Why should the usually undemocratic Fascist or Communist groups enjoy the rights of anonymity just because they can afford higher cost—that is, first-class postage rates? Newspapers and magazines are now competing at a disadvantage against millions of copies of anonymous literature in pamphlet and circular format. The Bill of Rights negates the need of stealth and all our dailies, weeklies and magazines are entitled to the competitive protection of disclosure of the sources of *all* printed material. The public would be aided by an increased facility for appraisal of material vis-à-vis financial and other support. The Treasury recently has called for tax returns of non-profit-making organizations claiming tax exemption This includes many groups which, in printed

form, go to the market place to sell ideas. The public has the right to know who is back of such documents It is quite irrational that newspapers and magazines must make disclosure which underground printers and distributors are permitted to withhold.

(c) The rates of transmission of news by all who control the radio or wire facilities should be reexamined. Press Wireless, Inc, rates were recently a matter of F.C.C scrutiny when it became apparent that this company was making more than 76 per cent before taxes.

(d) We must begin now to debate what should be done by the press or the government if advertisers start to sponsor comic strips, columnists and feature series as they do the counterparts on the radio. This problem may hit us hard after the introduction of facsimile newspapers.

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In the movie field we are dealing with a monopoly-ridden industry Should the government win its present suit against the eight dominant companies we will, for the first time, have a chance to consider movies in a free democratic market. But many bottlenecking tactics are not within the scope of the litigation.

(a) Many writers and performers are kept from the market place through an outworn legal form of punishment. Artists hired in Hollywood are not considered unique in their services when a chance arises for farming them out to companies other than the one that has them under contract. But if an artist leaves his employer, damages in money are not considered sufficient. So our law still provides, under the Lumley-Gye theory, that the employer can secure an injunction to keep the performer from working for anyone else Thus, because of injunctive relief, the public is often deprived of such talent. Incidentally, the talent itself should soon realize that it has its own right to get to the market place without injunctive controls A proper test case in its full setting would, in my opinion,

upset this antiquated and limiting condition without in any way condoning breaches of contract. Of course, no immunity from money damages should be given contract breakers

(b) Likewise, certain companies buy up bands, directors and other talent in order to keep them off the market This is a minor but obnoxious form of limiting the market, related to the above.

(c) Examination should be conducted into the hoarding of theater equipment by several large companies

(d) Our exports of films brought in at times enough dollars to equal the profits of many of the companies. In making pictures the industry counts on 30 to 40 per cent of its revenue from abroad We are quite unable to recapture enough nickels and dimes from our domestic audiences to repay the cost of most of our biggest elaborate productions Hence—with government aid—we must fight against the closing down of our foreign market places by tariffs, quotas and other restrictions imposed by foreign nations. Accords with other nations, rather than reprisals, are the answer. The use of the Webb Act for special grants of power for joint foreign marketing of films—free from Sherman anti-trust law violations—should be encouraged

(e) We should take off all admission taxes. We would never consent to a sales tax on newspapers. If there be any admission taxes on movies, the tax should be levied on a graded, sliding scale on the gross income of each theater and not on the public, ticket by ticket.

(f) The Hays office with its weapon—the Hays seal—should be scrutinized by the Department of Justice, to prevent lateral agreements to impose standards on content If a Hays office were set up by the press to determine which columnists could be syndicated for public "good," we would have an analogous situation against which we would no doubt rebel.

(g) In the movie field, a banking house holding a controlling stock interest in one company cries for competition and individual enterprise—and then sits on the board of a directly com-

peting movie company. In the reorganization of one of the Big Five, after a virtual bankruptcy, I entered, as a member of the bondholders' committee, an ineffectual plea to prevent such tie-in of directors, etc, on the company emerging from trouble and one of the competing companies Let's have as much competition as possible even between the giants. I can't see how one banking firm can have two of its partners on boards of competing movie companies, learn the secrets, future programs and developments and keep all this valuable information within the banking house itself! Maybe the banking partners are not on speaking terms with each other!

(h) Film stock is bottlenecked in three firms Two companies control more than 90 per cent of the total This should be looked into so as to provide more competition and cheaper film stock. Such inquiry should not overlook technicolor and the exclusive contracts between at least one raw film stock manufacturer and the owner of technicolor patents. I am of the impression that we will find contracts which provide that the giant of film stock makers has agreed to keep his film from any maker of color film, other than the technicolor company

(i) State censorship—precensorship—of films should be fought in the courts I am convinced the Supreme Court will declare unconstitutional the claim of a half dozen states, and some few cities, to precensor films. When the original movie cases came before the high court, our Federal Constitution had not as yet been interpreted to prevent states, as well as the Federal government, from violating the freedom of press provisions of the Federal Constitution.

### WE MUST HELP SELL FREEDOM TO THE WORLD

In order to enlarge our domestic markets much can be done in international terms—not only by conventions against quotas, tariffs, currency withdrawal, etc., etc, but by reduction of transportation and shipping charges On April 1, 1945, following reduced postage on books within the United States, we reduced postage rates to South America anywhere from one third to one

half the old rates. I do not resent a subsidy for international postage—in fact, every commercial plane or ship is subsidized one way or another, more particularly by extra costs charged to the Post Office for carrying mail. But why not place the subsidy directly on the books and other printed material by reducing postage rates? In fact, a world convention to carry books and all printed matter and films without postal charges would help immeasurably to bind the world together.

What about the resistance of trades unions to the importation of printed books even in small quantities? What do we do about the British publishers' embargo on our books, if separately licensed to Australia rather than through England? Can we not afford to reduce taxes by international conventions on authors' royalties, and all other income in the idea businesses? I played a small part in the recent Anglo-American tax convention, which reduced double taxation It is a magnificent first step toward removal of tax burdens on the flow of ideas Eldon King, who engineered the job, should be a national hero. Taxes today often act as impediments far greater than tariffs in olden days

Currency controls are becoming increasingly important. What good is it to sell our movies abroad if we cannot take the money out of the foreign land? International cable rates and cable controls require reexamination Quota laws on movies should be abandoned throughout the world The rights of cameramen, reporters and broadcasters to roam the earth without let or hindrance in any nation is a single first requirement for world understanding and peace What about international cooperative reprint publishing houses open to all publishers of all languages of all nations?

Foreign broadcasting raises very complex and different problems How do we get our programs into other lands? Should all our short wave be privately owned? Do commercial programs adequately represent the United States? Should we leave to a handful of short wave owners the interpretation of our nation by air to the rest of the world? Should the government, as some urge, have one short wave outlet as a branch of our foreign

service, probably more important to the nation than any number of foreign consuls? How do we get reception into the United States of broadcasts from foreign nations? Should foreign nations make commercial contracts with one or another of our four networks? Should not such network be compelled to offer such foreign programs to all our domestic stations which wish to purchase them for rebroadcast?

These are a few lines of profitable inquiry for world peace which can rest only on world understanding. There is a fundamental but close biological analogy. Warmth and air, the essentials of physical life, are also needed for the growth of thought. "Truth," as David Graham writes, "cannot state its case and lie down, look hopeful and do nothing."

I assume that a Commission of the United Nations will promptly gather the facts as to governmental and economic restraint on the spread of knowledge. We, as the great proponents of the First Freedom, must get our own house in order before we can rightfully assume that place of leadership in the family of nations which our rich tradition warrants. As long as foreign nations—some under dictatorships—can point to our lazy submission to severe and removable economic restraints in our own market of thought, we are embarrassed in our valid and significant pleas for the abolition of all national or international barriers. Moreover, this embarrassment is emphasized because our leaders who shout loudest for freedom are often the very men who have been declared by our Supreme Court to be antagonistic to "free enterprise," and who are, in fact, the true monopolists of the mind of the people.

The American objection to governmental operation of press, radio and movies is that under such direction there is no diversity or clash of opinion. It is the diversity factor that carries significance with us. Hence, it is argued that it makes little difference to the receiving public whether the absence of competition stems from government or from economic concentration of power. Philosophically we are still profoundly sound in our adherence to the gospel of free enterprise, particularly in

thought. We must now restore our own market places of the mind not only for the sake of our own freedom, but also so that we can maintain leadership in the world-wide struggle against dictatorship of the mind.

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## Exhibit A

## NUMBER OF DAILY PAPERS, CIRCULATION, POPULATION AND PERCENTAGE OF LITERACY

| *Year* | *Number of News-papers* | *Circulation* | *Population* | *Lit-eracy* |
|---|---|---|---|---|
| 1790 | 8 | | 3,929,214 | |
| 1800 | 24 | 200,000 | 5,308,483 | |
| 1810 | 26 | | 7,239,881 | |
| 1820 | 42 | | 9,638,453 | |
| 1830 | 65 | | 12,866,020 | |
| 1840 | 138 | | 17,069,453 | |
| 1850 | 254 | 758,454 | 23,191,876 | |
| 1860 | 387 | 1,478,435 | 31,443,321 | |
| 1870 | 574 | 2,601,547 | 38,558,371 | 80 0 |
| 1880 | 971 | 3,566,395 | 50,155,783 | 83 0 |
| 1889 | 1610 | 8,387,188 | 62,947,714 | 86 7 |
| 1899 | 2226 | 15,102,156 | 75,994,575 | 89 3 |
| 1909 | 2600 | 24,211,977 | 91,972,266 | 92.3 |
| 1920 | 2324 | 31,000,000 | 105,710,620 | 94 0 |
| 1930 | 2219 | 45,106,245 | 122,775,046 | 95 7 |
| 1940 | 1998 | 40,772,937 | 131,669,275 | 96 3 |

Source: Number of papers and circulations from A McC. Lee, "The Daily Newspaper in America," up to 1920, and after 1920 from N W Ayer. Population and literacy figures are from U S. Census.

Exhibit B

## DAILY PAPERS AND CIRCULATIONS IN RELATION TO LITERATE POPULATION

(1880–1940)

| *Year* | *Literate Population* | *Number of Newspapers* | *Total Circulation* | *Which Means* | |
|---|---|---|---|---|---|
| | | | | *Paper Per Number of Persons* | *1 Copy Per Number of Persons* |
| 1880 | 30,622,419 | 971 | 3,566,395 | 31,535 | 8 6 |
| 1890 | 41,107,892 | 1610 | 8,387,188 | 25,533 | 4 9 |
| 1900 | 51,749,193 | 2226 | 15,102,156 | 23,248 | 3.4 |
| 1910 | 66,068,589 | 2600 | 24,211,977 | 25,411 | 2 7 |
| 1920 | 77,774,956 | 2324 | 31,000,000 | 33,466 | 2 5 |
| 1930 | 94,477,956 | 2219 | 45,106,245 | 42,577 | 2 1 |
| 1940 | 106,385,623 | 1998 | 40,772,937 | 53,246 | 2 6 |

Source Same as Exhibit A.

Exhibit C

CIRCULATIONS

| Circulation | 1880 | 1910 | 1933 | 1943 |
|---|---|---|---|---|
| Under 500 | 86 | 71 | 7 | 2 |
| 500– 3,000 | 504 | 944 | 533 | 259 |
| 3,000– 10,000 | 184 | 555 | 794 | 799 |
| 10,000– 25,000 | 59 | 205 | 283 | 329 |
| 25,000– 50,000 | 18 | 84 | 131 | 141 |
| 50,000–100,000 | 4 | 56 | 63 | 76 |
| 100,000–200,000 | 3* | 25 | 42 | 58 |
| 200,000–300,000 | | 6 | 14 | 22 |
| 300,000–400,000 | | 4 | 6 | 9 |
| 400,000–500,000 | | | 3 | 5 |
| Over 500,000 | | 2 | 4 | 5 |
| Total | 858 | 1952 | 1880 | 1705 |

* Over 100,000.

Source 1880 (A M Lee and U S. Census), 1910 (N W Ayer), 1933 (A M Lee over 50,000, N W Ayer), 1943 (N W Ayer)

Exhibit D

DEVELOPMENT OF ONE-NEWSPAPER TOWNS IN THE UNITED STATES (1910–40)

| State | 1910 | | | 1920 | | | 1930 | | | 1939 | | | Per Cent Having One Newspaper | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Daily News-paper Towns | No with One Paper | More than One Paper | Total Daily News-paper Towns | No. with One Paper | More than One Paper | Total Daily News-paper Towns | No with One Paper | More than One Paper | Total Daily News-paper Towns | No with One Paper | More than One Paper | 1910 | 1920 | 1930 | 1940 |
| Maine | 8 | 4 | 4 | 8 | 4 | 4 | 7 | 5 | 2 | 7 | 6 | 1 | 50.0 | 50.0 | 71.4 | 85.7 |
| N. H | 6 | 3 | 3 | 7 | 4 | 3 | 8 | 8 | 0 | 8 | 8 | 0 | 50.0 | 57.1 | 100.0 | 100.0 |
| Vt | 6 | 3 | 3 | 8 | 6 | 2 | 8 | 7 | 1 | 9 | 8 | 1 | 50.0 | 75.0 | 87.5 | 88.9 |
| Mass | 40 | 19 | 21 | 39 | 24 | 15 | 44 | 35 | 9 | 43 | 39 | 4 | 47.5 | 61.5 | 79.5 | 90.7 |
| R I | 6 | 4 | 2 | 6 | 4 | 2 | 6 | 4 | 2 | 6 | 5 | 1 | 66.7 | 66.7 | 66.7 | 83.3 |
| Conn. | 18 | 9 | 9 | 19 | 10 | 9 | 19 | 10 | 9 | 21 | 16 | 5 | 50.0 | 52.6 | 52.6 | 76.2 |
| N. Y. | 69 | 29 | 40 | 69 | 37 | 32 | 75 | 52 | 23 | 71 | 55 | 16 | 42.0 | 53.6 | 69.3 | 77.5 |
| N J. | 25 | 11 | 14 | 23 | 9 | 14 | 25 | 16 | 9 | 26 | 22 | 4 | 44.0 | 39.1 | 64.0 | 84.6 |
| Penn | 98 | 41 | 57 | 104 | 61 | 43 | 106 | 84 | 22 | 107 | 93 | 14 | 41.8 | 58.7 | 81.5 | 86.9 |
| Total | 276 | 123 | 153 | 283 | 159 | 124 | 298 | 221 | 77 | 298 | 252 | 46 | 44.6 | 56.2 | 74.1 | 84.6 |
| Del. | 1 | 0 | 1 | 1 | 0 | 1 | 1 | 0 | 1 | 1 | 1 | 0 | 0.0 | 0.0 | 0.0 | 100.0 |
| Md | 6 | 2 | 4 | 6 | 1 | 5 | 7 | 5 | 2 | 7 | 6 | 1 | 33.3 | 16.7 | 71.4 | 85.7 |
| D C. | 1 | 0 | 1 | 1 | 0 | 1 | 1 | 0 | 1 | 1 | 0 | 1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Va | 16 | 5 | 11 | 19 | 11 | 8 | 21 | 19 | 2 | 22 | 21 | 1 | 31.5 | 57.9 | 90.5 | 95.5 |
| W Va. | 16 | 5 | 11 | 18 | 8 | 10 | 21 | 17 | 4 | 21 | 19 | 2 | 31.5 | 44.4 | 80.9 | 90.5 |
| N C | 20 | 13 | 7 | 26 | 15 | 11 | 27 | 24 | 3 | 31 | 26 | 5 | 65.0 | 57.7 | 88.9 | 83.9 |
| S C | 9 | 5 | 4 | 11 | 6 | 5 | 10 | 6 | 4 | 11 | 9 | 2 | 55.6 | 54.5 | 60.0 | 81.8 |
| Ga | 17 | 10 | 7 | 19 | 10 | 9 | 19 | 16 | 3 | 21 | 18 | 3 | 58.8 | 52.6 | 84.2 | 85.7 |
| Fla | 11 | 6 | 5 | 18 | 7 | 11 | 30 | 21 | 9 | 29 | 23 | 6 | 54.5 | 38.9 | 70.7 | 79.3 |
| Total | 97 | 46 | 51 | 119 | 58 | 61 | 137 | 108 | 29 | 144 | 123 | 21 | 47.4 | 48.7 | 78.8 | 85.4 |

(Cont'd)

Exhibit D (Cont'd)

DEVELOPMENT OF ONE-NEWSPAPER TOWNS IN THE UNITED STATES (1910–40)

| State | 1910 | | | 1920 | | | 1930 | | | 1939 | | | Per Cent Having One Newspaper | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | *Total Daily News-paper Towns* | *No with One Paper* | *More than One Paper* | *Total Daily News-paper Towns* | *No with One Paper* | *More than One Paper* | *Total Daily News-paper Towns* | *No with One Paper* | *More than One Paper* | *Total Daily News-paper Towns* | *No with One Paper* | *More than One Paper* | *1910* | *1920* | *1930* | *1940* |
| Ohio | 85 | 29 | 56 | 84 | 46 | 38 | 88 | 67 | 21 | 91 | 83 | 8 | 34.1 | 54.8 | 76.1 | 91.2 |
| Ind | 70 | 13 | 57 | 70 | 27 | 43 | 70 | 49 | 21 | 72 | 57 | 15 | 18.6 | 38.6 | 70.0 | 79.2 |
| Ill | 74 | 24 | 50 | 72 | 40 | 32 | 80 | 68 | 12 | 79 | 70 | 9 | 32.4 | 55.6 | 85.0 | 88.6 |
| Mich | 47 | 25 | 22 | 50 | 45 | 5 | 53 | 48 | 5 | 51 | 48 | 3 | 53.2 | 90.0 | 90.6 | 94.1 |
| Wis | 31 | 14 | 17 | 34 | 24 | 10 | 36 | 32 | 4 | 38 | 37 | 1 | 45.2 | 70.6 | 88.9 | 97.4 |
| Minn. | 22 | 14 | 8 | 24 | 14 | 10 | 25 | 21 | 4 | 28 | 26 | 2 | 63.6 | 58.3 | 84.0 | 92.8 |
| Iowa | 32 | 10 | 22 | 33 | 22 | 11 | 40 | 35 | 5 | 40 | 37 | 3 | 31.3 | 66.7 | 87.5 | 92.5 |
| Mo | 40 | 14 | 26 | 43 | 24 | 19 | 40 | 30 | 10 | 43 | 34 | 9 | 35.0 | 55.8 | 75.0 | 79.1 |
| N D | 7 | 2 | 5 | 8 | 6 | 2 | 8 | 8 | 0 | 9 | 9 | 0 | 28.6 | 75.0 | 100.0 | 100.0 |
| S D | 12 | 4 | 8 | 11 | 5 | 6 | 12 | 10 | 2 | 14 | 13 | 1 | 33.3 | 45.4 | 83.3 | 92.9 |
| Neb | 15 | 5 | 10 | 16 | 11 | 5 | 15 | 12 | 3 | 17 | 13 | 4 | 33.3 | 68.7 | 80.0 | 76.5 |
| Kan | 44 | 19 | 25 | 49 | 34 | 15 | 49 | 45 | 4 | 51 | 47 | 4 | 43.2 | 69.4 | 91.8 | 92.2 |
| Total | 479 | 173 | 306 | 494 | 298 | 196 | 516 | 425 | 91 | 533 | 474 | 59 | 36.1 | 60.7 | 82.4 | 88.9 |
| Kty | 16 | 7 | 9 | 18 | 8 | 10 | 19 | 13 | 6 | 21 | 18 | 3 | 43.8 | 44.4 | 68.4 | 85.7 |
| Tenn | 9 | 3 | 6 | 10 | 6 | 4 | 17 | 13 | 4 | 18 | 13 | 5 | 33.3 | 60.0 | 76.5 | 72.2 |
| Ala | 15 | 6 | 9 | 16 | 11 | 5 | 16 | 13 | 3 | 16 | 13 | 3 | 40.0 | 68.7 | 81.2 | 81.2 |
| Miss | 12 | 8 | 4 | 13 | 10 | 3 | 12 | 11 | 1 | 17 | 15 | 2 | 66.7 | 76.9 | 91.8 | 88.2 |
| La | 12 | 9 | 3 | 10 | 7 | 3 | 9 | 6 | 3 | 10 | 8 | 2 | 75.0 | 70.0 | 66.7 | 80.0 |
| Tex | 65 | 42 | 23 | 71 | 44 | 27 | 86 | 76 | 10 | 89 | 76 | 13 | 64.6 | 61.9 | 88.4 | 85.4 |
| Okla | 33 | 18 | 15 | 38 | 26 | 12 | 46 | 40 | 6 | 52 | 47 | 5 | 54.5 | 68.4 | 86.9 | 90.4 |
| Ark | 23 | 15 | 8 | 26 | 18 | 8 | 28 | 23 | 5 | 30 | 26 | 4 | 65.2 | 69.2 | 82.1 | 86.7 |
| Total | 185 | 108 | 77 | 202 | 130 | 72 | 233 | 195 | 38 | 253 | 216 | 37 | 58.4 | 64.4 | 83.7 | 85.4 |

(Cont'd)

EXHIBIT D (Cont'd)

DEVELOPMENT OF ONE-NEWSPAPER TOWNS IN THE UNITED STATES (1910–40)

| State | 1910 | | | 1920 | | | 1930 | | | 1939 | | | Per Cent Having One Newspaper | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Daily Newspaper Towns | No with One Paper | More than One Paper | Total Daily Newspaper Towns | No with One Paper | More than One Paper | Total Daily Newspaper Towns | No. with One Paper | More than One Paper | Total Daily Newspaper Towns | No with One Paper | More than One Paper | 1910 | 1920 | 1930 | 1940 |
| Mont | 11 | 6 | 5 | 13 | 8 | 5 | 13 | 10 | 3 | 12 | 12 | 0 | 54 5 | 61 5 | 76 9 | 100.0 |
| Wy | 3 | 1 | 2 | 6 | 2 | 4 | 5 | 5 | 0 | 9 | 7 | 2 | 33 3 | 33 3 | 100 0 | 77 8 |
| Colo | 24 | 11 | 13 | 22 | 11 | 11 | 23 | 18 | 5 | 24 | 20 | 4 | 45 8 | 50 0 | 78.3 | 83 3 |
| N M | 5 | 4 | 1 | 5 | 3 | 2 | 7 | 5 | 2 | 13 | 9 | 4 | 80 0 | 60.0 | 71 4 | 69 2 |
| Ariz | 11 | 5 | 6 | 14 | 6 | 8 | 11 | 5 | 6 | 7 | 5 | 2 | 45 4 | 42.8 | 45 4 | 71 4 |
| Utah | 3 | 1 | 2 | 3 | 2 | 1 | 4 | 2 | 2 | 5 | 4 | 1 | 33.3 | 66 7 | 50 0 | 80.0 |
| Nev | 7 | 1 | 6 | 5 | 2 | 3 | 6 | 5 | 1 | 7 | 7 | 0 | 14 3 | 40 0 | 83 3 | 100 0 |
| Idaho | 8 | 4 | 4 | 12 | 8 | 4 | 13 | 7 | 6 | 13 | 12 | 1 | 50 0 | 66 7 | 53 8 | 92 3 |
| Total | 72 | 33 | 39 | 80 | 42 | 38 | 82 | 57 | 25 | 90 | 76 | 14 | 45 8 | 52 5 | 69 5 | 84 4 |
| Wash | 16 | 7 | 9 | 17 | 7 | 10 | 20 | 13 | 7 | 19 | 16 | 3 | 43 7 | 41 2 | 65 0 | 84 2 |
| Ore | 14 | 4 | 10 | 18 | 10 | 8 | 18 | 14 | 4 | 18 | 15 | 3 | 28 6 | 55 6 | 77 8 | 83 3 |
| Cal | 68 | 24 | 44 | 82 | 39 | 43 | 93 | 63 | 30 | 94 | 74 | 20 | 35 3 | 47 6 | 67 7 | 78 7 |
| Total | 98 | 35 | 63 | 117 | 56 | 61 | 131 | 90 | 41 | 131 | 105 | 26 | 35 7 | 47.9 | 68 7 | 80 2 |
| Grand Total | 1207 | 518 | 689 | 1295 | 743 | 552 | 1397 | 1096 | 301 | 1449 | 1246 | 203 | 42 9 | 57 3 | 78 5 | 85 9 |

Source N. W Ayer

Exhibit E

THEORETICAL DIVERSITY BASED ON POPULATION (1910–1939) AND DIFFERENCE FROM ACTUAL DIVERSITY

| State | 1910 | | | | 1939 | | | | Percent Change in Population | Number of Towns with Theoretical Diversity (1939) | Difference Between Real and Theoretical |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Daily News-paper Towns | Total Towns with Diversity | Percent | Population | Total Daily News-paper Towns | Total Towns with Diversity | Percent | Population | | | |
| Maine | 8 | 4 | 50.0 | 742,371 | 7 | 1 | 14.3 | 847,226 | | | |
| N H | 6 | 3 | 50.0 | 430,572 | 8 | 0 | 0.0 | 491,524 | | | |
| Vt | 6 | 3 | 50.0 | 355,956 | 9 | 1 | 11.1 | 359,231 | | | |
| Mass | 40 | 21 | 52.5 | 3,366,416 | 43 | 4 | 9.3 | 4,316,721 | | | |
| R I | 6 | 2 | 33.3 | 542,610 | 6 | 1 | 16.7 | 713,346 | | | |
| Conn | 18 | 9 | 50.0 | 1,114,756 | 21 | 5 | 23.8 | 1,709,242 | | | |
| N Y | 69 | 40 | 58.0 | 9,113,614 | 71 | 16 | 22.5 | 13,479,142 | | | |
| N J | 25 | 14 | 56.0 | 2,537,167 | 26 | 4 | 15.4 | 4,160,165 | | | |
| Penn | 98 | 57 | 58.2 | 7,665,111 | 107 | 14 | 13.1 | 9,900,180 | | | |
| Total | 276 | 153 | 55.4 | 25,868,573 | 298 | 46 | 15.4 | 35,976,777 | 139.1 | 213 | −167 |
| Del | 1 | 1 | 100.0 | 202,322 | 1 | 0 | 0.0 | 266,505 | | | |
| Md | 6 | 4 | 66.7 | 1,295,346 | 7 | 1 | 14.3 | 1,821,244 | | | |
| D C | 1 | 1 | 100.0 | 331,069 | 1 | 1 | 100.0 | 663,091 | | | |
| Va | 16 | 11 | 68.5 | 2,061,612 | 22 | 1 | 4.5 | 2,677,773 | | | |
| W Va. | 16 | 11 | 68.5 | 1,221,119 | 21 | 2 | 9.5 | 1,901,974 | | | |
| N C | 20 | 7 | 35.0 | 2,206,287 | 31 | 5 | 16.1 | 3,571,623 | | | |
| S C | 9 | 4 | 44.4 | 1,515,400 | 11 | 2 | 18.2 | 1,899,804 | | | |
| Ga | 17 | 7 | 41.2 | 2,609,121 | 21 | 3 | 14.3 | 3,123,723 | | | |
| Fla | 11 | 5 | 45.5 | 752,619 | 29 | 6 | 20.7 | 1,897,414 | | | |
| Total | 97 | 51 | 52.6 | 12,194,895 | 144 | 21 | 14.6 | 17,823,151 | 46.2 | 75 | −54 |

(Cont'd)

Exhibit E (Cont'd)

THEORETICAL DIVERSITY BASED ON POPULATION (1910–1939) AND DIFFERENCE FROM ACTUAL DIVERSITY

| State | 1910 | | | | 1939 | | | | Percent Change in Population | Number of Towns with Theoretical Diversity (1939) | Difference Between Real and Theoretical |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Daily Newspaper Towns | Total Towns with Diversity | Percent | Population | Total Daily Newspaper Towns | Total Towns with Diversity | Percent | Population | | | |
| Ohio | 85 | 56 | 65.9 | 4,767,121 | 91 | 8 | 8.8 | 6,907,612 | | | |
| Ind | 70 | 57 | 81.4 | 2,700,876 | 72 | 15 | 20.8 | 3,427,796 | | | |
| Ill | 74 | 50 | 67.6 | 5,638,591 | 79 | 9 | 11.4 | 7,897,241 | | | |
| Mich. | 47 | 22 | 46.8 | 2,810,173 | 51 | 3 | 5.9 | 5,256,106 | | | |
| Wis. | 31 | 17 | 54.8 | 2,333,860 | 38 | 1 | 2.6 | 3,137,587 | | | |
| Minn | 22 | 8 | 36.4 | 2,075,708 | 28 | 2 | 7.2 | 2,792,300 | | | |
| Iowa | 32 | 22 | 68.7 | 2,224,771 | 40 | 3 | 7.5 | 2,538,268 | | | |
| Mo | 40 | 26 | 65.0 | 3,293,335 | 43 | 9 | 20.9 | 3,784,664 | | | |
| N. D. | 7 | 5 | 71.4 | 577,056 | 9 | 0 | 0.0 | 641,935 | | | |
| S. D. | 12 | 8 | 66.7 | 583,888 | 14 | 1 | 7.1 | 642,961 | | | |
| Neb | 15 | 10 | 66.7 | 1,192,214 | 17 | 4 | 23.5 | 1,315,834 | | | |
| Kan | 44 | 25 | 56.8 | 1,690,949 | 51 | 4 | 7.8 | 1,801,028 | | | |
| Total | 479 | 306 | 63.9 | 29,888,542 | 533 | 59 | 11.1 | 40,143,332 | 134.3 | 411 | −352 |
| Ky | 16 | 9 | 56.2 | 2,289,905 | 21 | 3 | 14.3 | 2,845,627 | | | |
| Tenn. | 9 | 6 | 66.7 | 2,184,789 | 18 | 5 | 27.8 | 2,915,841 | | | |
| Ala | 15 | 9 | 60.0 | 2,138,093 | 16 | 3 | 18.8 | 2,832,961 | | | |
| Miss. | 12 | 4 | 33.3 | 1,797,114 | 17 | 2 | 11.8 | 2,183,796 | | | |
| La | 12 | 3 | 25.0 | 1,656,388 | 10 | 2 | 20.0 | 2,363,880 | | | |
| Tex | 65 | 23 | 35.4 | 3,896,542 | 89 | 13 | 14.6 | 6,414,824 | | | |
| Okla | 33 | 15 | 45.5 | 1,657,155 | 52 | 5 | 9.6 | 2,336,434 | | | |
| Ark | 23 | 8 | 34.8 | 1,574,449 | 30 | 4 | 13.3 | 1,949,387 | | | |
| Total | 185 | 77 | 41.6 | 17,194,435 | 253 | 37 | 14.6 | 23,842,750 | 138.7 | 107 | −70 |

(Cont'd.)

EXHIBIT E (Cont'd)

THEORETICAL DIVERSITY BASED ON POPULATION (1910–1939) AND DIFFERENCE FROM ACTUAL DIVERSITY

| State | 1910 | | | | 1939 | | | | Percent Change in Population | Number of Towns with Theoretical Diversity (1939) | Difference Between Real and Theoretical |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Daily Newspaper Towns | Total Towns with Diversity | Percent | Population | Total Daily Newspaper Towns | Total Towns with Diversity | Percent | Population | | | |
| Mont | 11 | 5 | 45 5 | 376,053 | 12 | 0 | 00 0 | 559,456 | | | |
| Wy | 3 | 2 | 66 7 | 145,965 | 9 | 2 | 22 2 | 250,742 | | | |
| Colo | 24 | 13 | 54 2 | 799,024 | 24 | 4 | 16 7 | 1,123,296 | | | |
| N. M | 5 | 1 | 20 0 | 327,301 | 13 | 4 | 30 8 | 531,818 | | | |
| Ariz | 11 | 6 | 54 6 | 304,354 | 7 | 2 | 28 6 | 499,261 | | | |
| Utah | 3 | 2 | 66 7 | 373,351 | 5 | 1 | 20 0 | 550,310 | | | |
| Nev | 7 | 6 | 85 7 | 81,875 | 7 | 0 | 0 0 | 110,247 | | | |
| Ida | 8 | 4 | 50 0 | 325,594 | 13 | 1 | 7 7 | 524,873 | | | |
| Total | 72 | 39 | 64 2 | 2,633,517 | 90 | 14 | 15 6 | 4,150,003 | 157 6 | 61 | −47 |
| Wash | 16 | 9 | 56 3 | 1,141,990 | 19 | 3 | 15 8 | 1,736,191 | | | |
| Ore | 14 | 10 | 71 4 | 672,765 | 18 | 3 | 16 7 | 1,089,684 | | | |
| Cal | 68 | 44 | 64 7 | 2,377,549 | 94 | 20 | 21 3 | 6,907,387 | | | |
| Total | 98 | 63 | 64 3 | 4,192,304 | 131 | 26 | 19 8 | 9,733,262 | 132 2 | 83 | −57 |
| Grand Total | 1207 | 689 | 57 1 | 91,972,266 | 1449 | 203 | 14 1 | 131,669,275 | 143 2 | 987 | −784 |

Source N W Ayer, population figures, U S Census

## Exhibit F

## DAILY NEWSPAPERS IN THE 92 CITIES HAVING A POPULATION OF 100,000 OR MORE IN 1940

| Year | No of Cities | Number of Newspapers | | | | | | | | | | | | | | Total Newspapers | Newspapers Per City |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 13 | 17 | 22 | | |
| 1910 | 92 | — | 5 | 16 | 31 | 15 | 13 | 4 | 2 | 1 | 1 | 1 | 2 | — | 1 | 368 | 4 0 |
| 1920 | 92 | 1 | 3 | 25 | 25 | 18 | 11 | 4 | — | 2 | 1 | 1 | — | 1 | — | 331 | 3 6 |
| 1930 | 92 | — | 9 | 29 | 21 | 17 | 9 | 2 | 1 | 2 | 1 | — | — | — | 1 | 309 | 3 4 |
| 1939 | 92 | 2 | 16 | 36 | 20 | 12 | 2 | 1 | 2 | — | — | — | 1 | — | — | 239 | 2 6 |

| Year | No of Cities | Per Cent | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 13 | 17 | 22 |
| 1910 | 92 | — | 5 4 | 17 4 | 33 9 | 16 3 | 14 2 | 4 4 | 2 2 | 1 0 | 1 0 | 1 0 | 2 2 | — | 1 0 |
| 1920 | 92 | 1 0 | 3 3 | 27 2 | 27 2 | 19 6 | 12 0 | 4 4 | — | 2 2 | 1 0 | 1 0 | — | 1 0 | — |
| 1930 | 92 | — | 9 8 | 31 6 | 22 8 | 18 5 | 9.8 | 2 2 | 1 0 | 2 2 | 1 0 | — | — | — | 1 0 |
| 1939 | 92 | 2 2 | 17 4 | 39 1 | 21 8 | 13 1 | 2 2 | 1 0 | 2 2 | — | — | — | 1 0 | — | — |

Source N W Ayer

Note Towns having two newspapers with one ownership are listed as having just one paper This exhibit includes trade, financial, and other special papers as dailies if they carry a substantial portion of general news

## Exhibit G

## CHAINS OF DAILIES, NUMBER AND CIRCULATION OF CHAIN PAPERS

| *Year* | *Number of Chains* | *Number of Newspapers Controlled by Chains* | *Percent of All Newspapers* | *Total Circulation of Chain Newspapers* | *Percent of Total Circulation Controlled by Chains* |
|---|---|---|---|---|---|
| 1900 | 9 | 32 | 1.0 | 2,000,000 est | 12–15 |
| 1910 | 13 | 62 | | | |
| 1923 | 31 | 153 | | | 32 4 |
| 1926 | 55 | 228 | | | |
| 1928 | 54 | 280 | | | |
| 1929 | 59 | 325 | | | |
| 1930 | 55 | 311 | | | |
| 1931 | 56 | 314 | | | |
| 1932 | 65 | 342 | | | |
| 1933 | 63 | 361 | | | 37 4 |
| 1934 | 63 | 347 | | | |
| 1935 | 59 | 329 | | | |
| 1940 | 56 | 296 | 15 7 | 10,734,080 | 24 8 |

Source *Editor and Publisher, International Yearbook*

### The Six Largest Chains

| | *Number of Papers* | *Percent of Chain Papers* | *Percent of Chain Circulation* | *Percent of Total Circulation* |
|---|---|---|---|---|
| 1933 | 81 | 22 4 | 69 7 | 26 1 |
| 1940 | 86 | 29 1 | 62 5 | 16 9 |

Source *Editor and Publisher*

Exhibit H

## ALLOCATION OF SPACE IN SIX NEW YORK DAILIES

| *Newspaper* | *Percent News* | *Percent News Pictures* | *Percent Features* | *Percent Advertising* |
|---|---|---|---|---|
| Times | 44 9 | 5 1 | 17 6 | 32 4 |
| Herald-Tribune | 38.1 | 4 3 | 19 1 | 38 5 |
| Mirror | 18 8 | 16 8 | 22 6 | 41 8 |
| Daily News | 16 1 | 13 8 | 12 8 | 57 3 |
| Sun | 22 7 | 4 1 | 19 7 | 53 5 |
| Post | *17.8* | *5 2* | *26 6* | *50 4* |
| Total | *25 9* | *9 2* | *19 0* | *45 9* |

Note Individual papers computed by column "Total" papers by inch Sampling done on one day in 1944

Exhibit I

## NUMBER OF WEEKLY PAPERS

| Year | Weekly News | Semi-Weekly News | Tri-Weekly News | Total |
|---|---|---|---|---|
| 1790 | 70 | 10 | 3 | 83 |
| 1800 | 178 | 29 | 3 | 210 |
| 1810 | 302 | 32 | 9 | 343 |
| 1820 | 422 | 37 | 11 | 470 |
| 1830 | [1] (650) | — | — | 650 |
| 1840 | 1,141 | [2] (125) | — | 1,266 |
| 1850 | 1,902 | 31 | [3] (115) | 2,048 |
| 1860 | 3,173 | 79 | 86 | 3,338 |
| 1870 | 4,295 | 115 | 107 | 4,517 |
| 1880 | 7,811 | 132 | 62 | 8,005 |
| 1890 | 13,559 | 202 | 34 | 13,795 |
| 1900 | 15,813 | 518 | 56 | 16,387 |
| 1910 | 16,227 | 611 | 61 | 16,899 |
| 1920 | 13,847 | 467 | 91 | 14,405 |
| 1930 | 12,574 | 443 | 62 | 13,079 |
| [4] 1930 | 10,972 | 384 | 51 | 11,407 |
| 1940 | 10,796 | 376 | 36 | 11,208 |

[1] Includes all papers except dailies
[2] Includes tri-weekly papers
[3] Includes some semi-weekly papers
[4] From 1927 on, Ayer made a differentiation between papers of general circulation and trade and other papers, which accounts for two sets of figures for 1930

Source Figures before 1880 from A M Lee, after 1880, from N W Ayer

## Exhibit J

## CIRCULATION OF WEEKLIES BY SIZE OF TOWN (1938)

| *Size of Circulation* | *Total Papers* | *Size of Town (pop.)* | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | *Under 3,000* | *3,000–4,999* | *5,000–9,999* | *10,000–24,999* | *25,000–49,999* | *50,000–99,999* | *100,000–249,999* | *250,000 and Over* |
| Less than 3,000 | 9,508 | 7,154 | 972 | 648 | 322 | 87 | 84 | 102 | 139 |
| 3,000– 4,999 | 489 | 115 | 93 | 78 | 100 | 30 | 20 | 24 | 29 |
| 5,000– 9,999 | 202 | 14 | 15 | 34 | 33 | 24 | 9 | 24 | 49 |
| 10,000– 24,999 | 132 | 5 | 0 | 2 | 9 | 15 | 14 | 15 | 72 |
| 25,000– 99,999 | 45 | 2 | 0 | 0 | 3 | 1 | 6 | 7 | 26 |
| 100,000–249,999 | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 7 |
| 250,000 and over | 2 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Total | 10,386 | 7,290 | 1,080 | 762 | 467 | 157 | 134 | 173 | 323 |

Source "Small Daily Newspapers under the Fair Labor Standards Act," Department of Labor June, 1942

EXHIBIT K

NUMBER OF TITLES PUBLISHED BY TOP PUBLISHERS

| *Name of Publishing House* | *Number of Titles* | | |
|---|---|---|---|
| | *1941* | *1942* | *1943* |
| Macmillan | 434 | 375 | 312 |
| Grosset Dunlap | 305 | 310 | 287 |
| Harper | 275 | 309 | 225 |
| Doubleday Doran | 221 | 204 | 192 |
| McGraw Hill | 175 | 192 | 192 |
| Oxford Press | 213 | 143 | 110 |
| Dutton | 140 | 120 | 119 |
| Dodd Mead | 133 | 129 | 111 |
| Blue Ribbon | 130 | 137 | — |
| Scribner | 126 | 117 | 113 |
| Harcourt Brace | 119 | — | — |
| Farrar & Rinehart | 113 | — | — |
| World Publishing Co | — | 142 | — |
| Sun Dial | — | 126 | 105 |
| Transatlantic Arts | — | — | 154 |
| Knopf | — | — | 101 |
| Total | 2,384 | 2,304 | 2,021 |

Source *Publisher's Weekly*, "Directory of American Book Publishers"

EXHIBIT L

## AMERICAN BOOK PRODUCTION ACCORDING TO TYPE OF TITLE

| *Type of Title* | *1900* | *1910* | *1920* | *1930* | *1940* |
|---|---|---|---|---|---|
| Philosophy and ethics | 101 | 265 | 242 | 295 | 99 |
| Religion | 448 | 943 | 504 | 835 | 781 |
| Sociology and economics | 269 | 784 | 396 | 523 | 796 |
| Law | 543 | 678 | 109 | 75 | 141 |
| Education (books on) | 641 | 523 | 111 | 240 | 317 |
| Philology | — | — | 195 | 215 | 274 |
| Science | 184 | 711 | 231 | 462 | 398 |
| Technical | 153 | 857 | 352 | 351 | 470 |
| Medicine-hygiene | 218 | 544 | 207 | 318 | 326 |
| Agriculture | — | — | 67 | 74 | 108 |
| Domestic economy | 76 | 332 | 28 | 55 | 70 |
| Business | — | — | 168 | 210 | 344 |
| Fine arts | 167 | 345 | 100 | 230 | 213 |
| Music | — | — | 49 | 62 | 115 |
| Games—sports | 51 | 109 | 60 | 142 | 156 |
| General literature | 543 | 2,042 | 301 | 539 | 466 |
| Poetry—drama | 400 | 752 | 453 | 696 | 671 |
| Fiction | 1,278 | 1,539 | 1,123 | 2,103 | 1,221 |
| Juvenile | 527 | 1,010 | 477 | 935 | 852 |
| History | 257 | 565 | 539 | 431 | 783 |
| Geography—travel | 192 | 599 | 166 | 385 | 262 |
| Biography | 274 | 645 | 285 | 792 | 569 |
| Miscellaneous | 35 | 191 | 24 | 60 | 83 |
| Total | *6,357 | *13,434 | 6,187 | 10,027 | 9,515 |

* Note. These figures include pamphlets.
Source *Publisher's Weekly*

Exhibit M

COMPARISON OF ESSENTIAL AM AND FM ALLOCATION PRINCIPLES
AUGUST, 1945

| | *AM* | *FM* |
|---|---|---|
| Extent of 1944-45 spectrum band 1945 allocation | 540-1600 | 43-50 megacycles (present) 88-108 m c postwar |
| Total number of channels | 106 | 35 present 70-80 postwar |
| Necessary signal-to-noise interference ratio for clear reception | about 100 to 1 | about 2 to 1 |
| No of stations possible in same general locality on basis of FCC standards | 26 | 20 |
| No of existing stations and construction permits, 1945 | 943 | 53 |
| Outstanding applications for new stations, Aug 1945 | 17 | 248 |
| Receivers (Feb 1945, Broadcasting Year Book) | 59,000,000 | 500,000* |

* Report of Allocation Hearings, 1945.

## Exhibit N

## SYNOPSIS OF PROPOSED LICENSE AGREEMENT BETWEEN R C A AND PRESS WIRELESS, INC.

1 Communication by Press Wireless must be between points "within the continental United States" only.

2. R C A will rent, but not sell, apparatus to Press Wireless.

   a Press Wireless must pay R C.A the G E. Company's price for building the apparatus plus 45 per cent profit to R.C.A. and

   b Press Wireless must pay as royalty or rental 5 per cent of the gross receipts to R C.A.

3 Use can be for press messages only.

4. Press Wireless must charge its clients "with a view to earning a reasonable profit," and not as a mutual company

5. Press Wireless must allow R C A to inspect its apparatus and its accounts at will

6 Press Wireless must surrender to R C A. without any charge whatsoever, all patents or patent rights it now has or will ever have and must give R.C A. total and exclusive right to lease, transfer, or assign rights of said patents.

7. R C A. grants Press Wireless non-transferable right to use R C.A patents.

8 Press Wireless must use apparatus in telegraphic code work only, and not for "Transmission or reception of facsimiles, pictures, and the like"

9 Press Wireless must buy all parts from R C A.

10 "Article VII The lessee hereby agrees to extend to the R C A at its request and through R C.A Communications (Inc.), and for the benefit of its newspaper clientele, the same facilities, quality of press service, and like tariffs which it extends to its other press customers at the time of the request"

December 16, 1929.

Hearings on S 6, before Senate Interstate Commerce Committee, 71st Cong , 2nd Sess., Part 13, Jan 13, 1930, pp 1654-55

## Exhibit O

## LETTER FROM MAJOR EDWIN A ARMSTRONG

The Radio Corporation has had a period of nearly two years—from the beginning of 1934 to the end of 1935—to study my system, both in the laboratory and in practical operation It had in its possession a report made in the latter part of 1935, by some of its ablest engineers, which confirmed my appraisal of what the system would do. This report is now in the record of the March, 1940, hearings of the Communications Commission.

When in June, 1936, the Commission called a hearing for the purpose of obtaining information which would assist it in allocating the frequencies above 30,000 kilocycles, no mention was made in its testimony by the Radio Corporation about frequency modulation Instead, television was played up, and the negligible allocation to F M. . . was the result.

Three years were required to erect the high-power transmitter at Alpine and convince the art that F M. was radio's next major development When, in the fall of 1935, this understanding became general and applications for licenses for F.M stations began to increase rapidly, an attempt was made to freeze the television expansion of the F.M band. This question was to be passed on by the Commission in its hearing in January, 1940 When the Commission deferred action on this matter, pending the hearing to be held in March of 1940, to expand the F M allocation to include the No. 1 television band, a vigorous attempt was made to forestall such assignment by selling to the public as many television receivers as possible for use in the No 1 band

Had the Radio Corporation, in the June, 1936, hearing, agreed with my appraisal of the capabilities of the F M system, the rest of the art would, beyond question, have followed and the assignments resulting from the June, 1936, hearing would have been different I have no doubt that, in addition to the facts set forth above, the introduction of the F.M system was opposed in other ways

S 814 *HEARINGS*, DEC 13, 1943, p 898.

## Exhibit P

The cases of Charleston and Kansas City were summarized in the F.C.C. report, Docket 6051, Summary of Record, pp. 27-28

Charleston, until 1939, was served by one morning and one evening daily, under joint ownership and management, and by an independent station, WCSC, operating on 1390 kc., with 500 watts night and one kw. day. Then Station WTMA, operating on 1250 kc. with 250 watts power, was established and acquired by the newspaper corporation.

A statement prepared by a former manager of WTMA revealed that the radio station was regarded as another department of the newspapers, not a separate business, some of the persons rendering services for the station were paid by the newspapers, the station used newspaper facilities, and the broad policies of the station were set by officials of the papers. However, there was testimony that the newspaper editorial policies were not reflected over the station.

The testimony disclosed that the papers refused to print the programs of WCSC except as paid advertisements, although they printed the programs of WTMA without even a bookkeeping debit. The papers also gave a great deal of publicity in the news columns and display advertising to WTMA without any estimate of the cost or attempt to get a *quid pro quo* from the stations, sponsors came in for considerable free publicity, a fact which the station used in dealing with the network and in soliciting business. On the other hand, since WCSC had to pay for display advertising at the usual rates and received little publicity in the news columns, it had to put out bulletins and resort to other methods to publicize itself.

Testimony disclosed that the newspapers entered into a trade deal with the Postal Telegraph Company, agreeing to use Postal's facilities if they advertised over the radio station.

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The Kansas City Star Company, publishers of the *Star* and *Times* (evening and morning papers) first regarded its station WDAF as part of the newspaper, broadcast as little routine news as possible, and had a forced combination advertising rate. A station representative, Roy A. Roberts, also managing editor of the

*Kansas City Star*, testified that the station had since come to be regarded as important in its own right, but the effect of association with the newspaper still was evident. The papers did not print the programs of the other local stations which WDAF also carried, and a preponderant part of the radio page was devoted to WDAF. On one occasion, when a picture of an event of a rival station, WHB, was published, its call letters on a banner were deleted. The newspaper stations in the Kansas City area (WDAF and KCKN) carried less newscasts than the non-associated stations during the first week in April, 1941, which was taken as a sample.

In 1932, WDAF and other newspaper stations were able to get special rates from A.S.C.A.P. which counted on free publicity and favorable treatment in the news, it got the publicity from the Star Company.

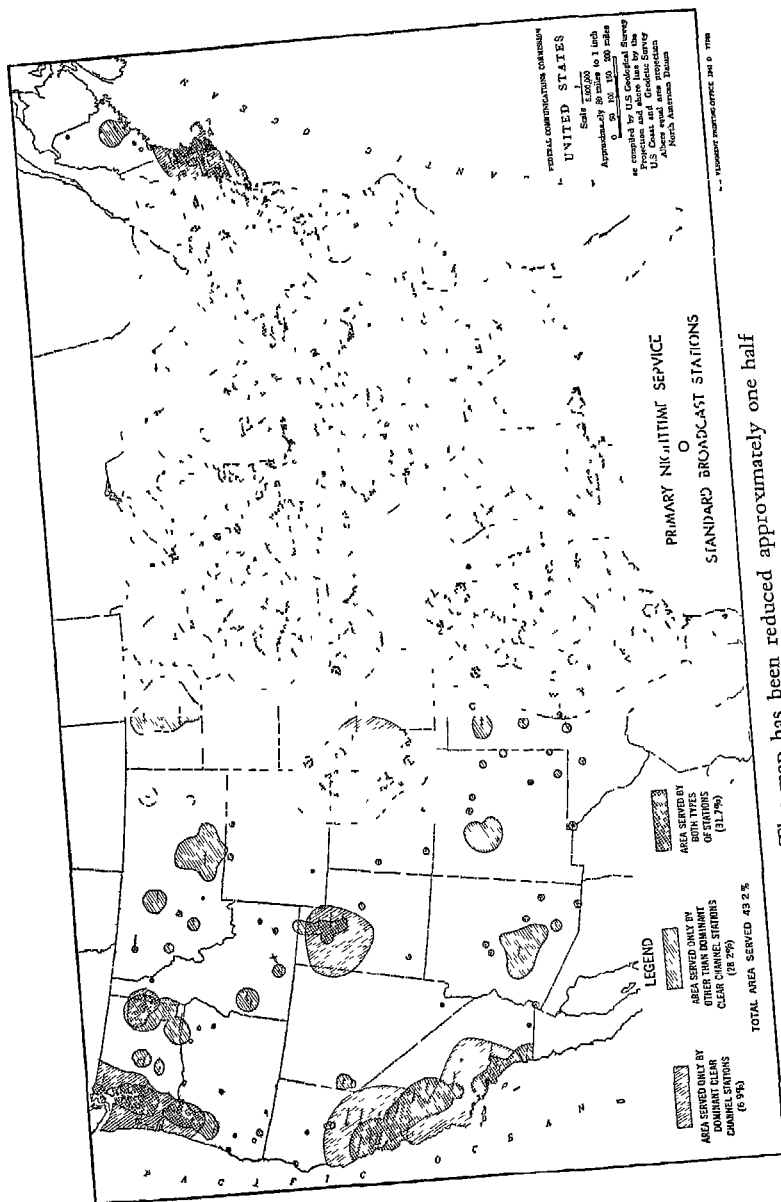
## EXHIBIT Q

This map has been reduced approximately one half

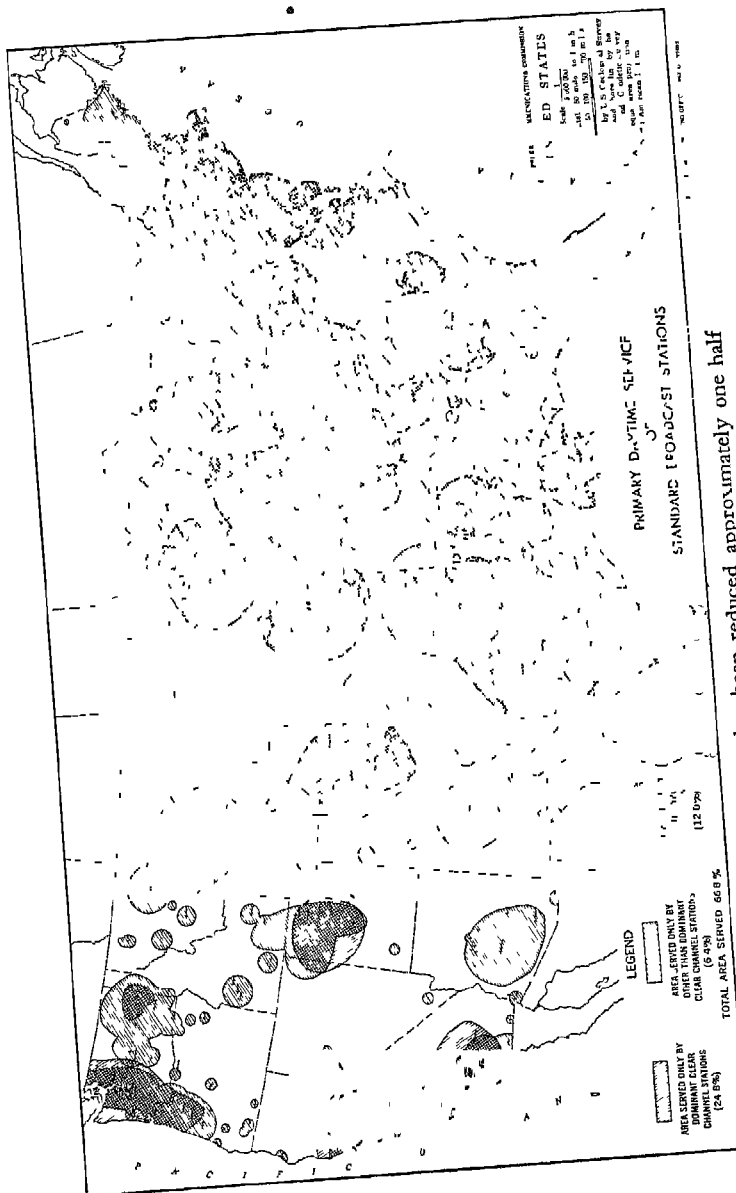
EXHIBIT Q (Cont'd )

This map has been reduced approximately one half

EXHIBIT R

THEATER DISTRIBUTION IN THE UNITED STATES

| *State* | *Total Number of Theaters* | *One Theater Towns* | *Two Theater Towns* |
|---|---|---|---|
| Alabama | 290 | 134 | 26 |
| Arizona | 81 | 42 | 10 |
| Arkansas | 298 | 131 | 40 |
| California | 1,059 | 240 | 61 |
| Colorado | 193 | 91 | 14 |
| Connecticut | 194 | 64 | 11 |
| Delaware | 34 | 14 | 4 |
| Dist of Columbia | 64 | — | — |
| Florida | 304 | 84 | 22 |
| Georgia | 346 | 148 | 31 |
| Idaho | 151 | 88 | 16 |
| Illinois | 951 | 307 | 68 |
| Indiana | 438 | 123 | 43 |
| Iowa | 656 | 438 | 46 |
| Kansas | 400 | 207 | 32 |
| Kentucky | 284 | 137 | 29 |
| Louisiana | 332 | 122 | 25 |
| Maine | 149 | 73 | 23 |
| Maryland | 232 | 58 | 22 |
| Massachusetts | 388 | 105 | 28 |
| Michigan | 671 | 202 | 41 |
| Minnesota | 379 | 247 | 44 |
| Mississippi | 233 | 88 | 25 |
| Missouri | 587 | 255 | 40 |
| Montana | 157 | 88 | 13 |
| Nebraska | 307 | 180 | 34 |
| Nevada | 42 | 23 | 5 |
| New Hampshire | 86 | 45 | 3 |
| New Jersey | 375 | 119 | 26 |
| New Mexico | 93 | 32 | 15 |
| New York | 1,257 | 312 | 46 |
| North Carolina | 448 | 144 | 39 |
| North Dakota | 173 | 129 | 9 |
| Ohio | 919 | 206 | 70 |
| Oklahoma | 422 | 131 | 45 |
| Oregon | 245 | 94 | 21 |
| Pennsylvania | 1,209 | 353 | 105 |
| Rhode Island | 64 | 21 | 3 |
| South Carolina | 201 | 85 | 21 |
| South Dakota | 184 | 131 | 12 |
| Tennessee | 282 | 97 | 19 |
| Texas | 1,190 | 315 | 100 |
| Utah | 172 | 82 | 22 |
| Vermont | 61 | 29 | 8 |
| Virginia | 227 | 124 | 29 |
| Washington | 298 | 127 | 12 |
| West Virginia | 311 | 147 | 37 |
| Wisconsin | 429 | 172 | 38 |
| Wyoming | 53 | 33 | 6 |
| Total | 17,919 | 6,617 | 1,439 |

Note This excludes the 2,358 film theaters in the United States that are closed It includes theaters with portable equipment, however Of the closed theaters, most are in small towns

Source *The Film Daily Yearbook for 1944*

# INDEX

C

K



L



M

## Q



## R

S

T



U